

BEIJING REVIEW

A CHINESE WEEKLY OF
NEWS AND VIEWS

Anniversary Celebrations • Peace and Development Changes in a Southern County



SPOTLIGHT

Jiangsu: Taixing Modernizes



An electric pumping station in Pengzhuang Village in Taixing County.

Outside the Taixing Bicycle Pedal Factory.

New housing for the peasants.



A production line in the Huangqiao Meat Packing Plant.
Peasants enjoy an outdoor performance of local opera.



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COVER: A village fair in Taixing County, Jiangsu.

Photo by Chen Youming

HIGHLIGHTS OF THE WEEK

Joyful National Day Celebrations

This October 1 was the 35th anniversary of the founding of the People's Republic of China. In Beijing, a massive military and festive parade was opened with a speech by Deng Xiaoping stressing that the goal of quadrupling China's annual gross industrial and agricultural output value by the year 2000 would be reached. Fireworks and folk dancing in Tian An Men Square ended the joyful day (p. 6).

Hongkong Solution: Significance and Impact

Our political editor and the international affairs expert Huan Xiang elaborate on the impact of the Sino-British declaration on Hongkong and the significance of the concept of "one country, two systems" (pp. 4 and 26).

China's View of the World

Peace and development are the two major issues in the world today. Chinese Foreign Minister Wu Xueqian told the 39th Session of the UN General Assembly. What disturbs people most is the threat of a nuclear war posed by the two superpowers' spiraling arms race. Wu explained China's stand on disarmament and other urgent international problems (p. 16).

China Supports Democratic Kampuchea

President Li Xiannian said that China supports Democratic Kampuchea in its struggle against Vietnamese aggression. A Kampuchean delegation headed by Prince Norodom Sihanouk visited China and joined Chinese leaders on the rostrum for National Day celebrations (p. 11).

Hometown Revisited

In an ordinary village in East China's Jiangsu Province, the old dilapidated houses are replaced by bright and spacious buildings. And the once-starving peasants are now talking about what dishes go well with the wine. With villages running their own industries, peasants are receiving higher incomes. The photographs on the cover and the inside cover illustrate some of the changes in Taixing County (p. 32).

Published every Monday by
BEIJING REVIEW
24 Baiwanzhuang Road, Beijing
The People's Republic of China

Distributed by **China International Book Trading Corporation** (GUOJI SHUDIAN),
P.O. Box 399, Beijing, China

Subscription prices (1 year):
Australia..... A\$14.00 USA... US\$13.00
New Zealand... NZ\$18.00 UK..... £8.00
Canada..... Can. \$15.00



The Hongkong Solution

The initialling and publication of the Sino-British joint declaration on the Hongkong question has touched off a wave of positive response from all parts of the world.

On the mainland, the accord was hailed as a historic landmark, as the return of Hongkong will mean a dream come true for the Chinese people and signify the end of more than a century of national humiliation. In Hongkong itself, there is added reason for enthusiasm because the agreement ensures the region continued stability and prosperity. The rest of the world applauded it because it not only promotes Asian and world peace but embodies reasonableness, boldness and originality. While it is still too early to draw any definite conclusion, it seems clear that the accord will have an impact on the solution of other outstanding international issues.

At the heart of the accord is its consideration of both sovereignty and prosperity through the following intricate arrangements. China will resume the exercise of sovereignty over Hongkong in 1997. Hongkong will be administered by the local people and will enjoy a high degree of autonomy. This will be realized through the instrument of a special administrative zone with extensive powers granted by the central authorities. The current capitalist socio-economic system as well as the lifestyle of

the region will remain unchanged for 50 years.

With guaranteed local stability, support from the mainland and secure international links, Hongkong will continue to play the role of a global trade and financial centre.

The formula of "one country, two systems," which constitutes the basis for these provisions, is not

The formula "one country, two systems," which forms the basis of the Hongkong accord, is not someone's whim. It is solidly grounded on a theoretical understanding of the extended duration of the socialist transition period. When this is appreciated, lingering doubts about the durability of the present arrangements will disappear.

someone's personal whim; nor has the period of 50 years been fixed without rhyme or reason. They are solidly grounded on a theoretical understanding of the extended duration of the socialist transition period and the complexities of today's realities. In China's case, when everything is considered, gradualism is inevitable and the best policy. When the logic of this analysis is understood and

appreciated, lingering doubts about the durability of the Hongkong arrangements will evaporate into thin air.

By the same token, the question of the reunification of Taiwan with the mainland will be resolved on the basis of "one country, two systems" if it is left to run its own free course. To our brothers and sisters across the Taiwan Straits, we say: If such a complex issue like Hongkong can be settled through peaceful negotiations with the British, why can't we Chinese sit down and talk and put an end to the separation before the year 2000? Do not hesitate, lest we lose a golden opportunity!

Between now and the handover of government in 1997, there are still 13 years to go. How this transitional period will turn out has a vital bearing on the years after. According to the declaration, the British Government has undertaken to assume responsibility for the prosperity and tranquillity of the region during this period and it is hoped that the mechanism of transition will function smoothly. For its part, China will do everything within its power to observe the letter and spirit of the agreement and help its implementation.

Our past records show that credibility is one of the basic characteristics of Chinese diplomacy. China will keep its word. We believe the British will do the same.

Third World Perspective

In addition to information on China's economic and social developments, the main reason I read *Beijing Review* is to get a third world perspective on national, international and economic events. Your commentary on issues like Hongkong, the third world debt crisis, and struggles for national liberation in the Middle East, Africa and Latin America offers American readers a fresh viewpoint — one based on human and social welfare. Most of the major American media select and present "news" solely from the viewpoint of narrow corporate and military strategic interests.

I realize the People's Republic of China has conflicts with the governments of Viet Nam and the USSR. I think American readers would like to know more about the nature of these conflicts. Are they as serious — beyond repair — as our own press would have us believe? Are there different points of view among the Chinese population on how to resolve China's problems with Viet Nam and the USSR?

Your magazine would be more appealing to American readers if the articles were shorter and contained more pictures of daily life in China as well as your natural resources.

Finally, I hope you will include frequently articles about China's giant pandas. The panda is mankind's treasure as well as China's treasure. We Americans can never get enough of this precious animal.

Patricia Ginoni
Connecticut, USA

Intrigued by Shashi

I was a faithful reader of your magazine when I was in the United

States. I was always impressed by the detailed, but not overwhelming, coverage of your articles. I found your magazine extremely informative. It provided me with the news of the latest developments in China. I also enjoyed the unbiased coverage of your "International" column. This is the first time that I have returned to China, as a member of the faculty at the Jiangnan Institute of Petroleum. Needless to say, I am delighted to find that the institute subscribes to your magazine for the teachers from abroad.

I found your article "Shashi — A City of Light Industry" (No. 23) intriguing. Our institute is located on the outskirts of Shashi, and I am able to observe some of its recent developments mentioned in your article. I have visited the Shashi Flask Factory, the Shashi Bed Sheets Corporation and the Shashi Textile Company. I was fascinated by the sophisticated automation and efficient management. From a relatively backward city, Shashi has become a thriving light industrial city in just a few years. The rapid growth of light industry in Shashi is not only the result of three decades of socialist construction, but also the result of the managerial reforms in recent years.

Shashi is a success story in China. I believe that other cities in China, especially those with similar size and conditions, should not hesitate to model themselves after it.

Alan C. Chen
Hubei, China

Sino-US Relations

As a visitor to China for the first time, I am deeply impressed by the hard-working and friendly

Chinese people. As a teacher, I hope to bring my students back to China so they can better understand why relations between the US and China ought to continue to develop as they have in recent years. In this regard, it would be helpful to have *Beijing Review* available for them to help keep them informed about events and activities in China.

Peter Haslund
California, USA

I am a 14-year-old boy who enjoys your magazine from cover to cover each week. My favourite section is the "International." I enjoy reading the "Events and Trends" also.

I am sure your colourful covers and new layout will boost sales. I have to agree though, with Mr. Akira Suzuki of Japan, that more pictures would greatly improve the publication.

Brad Norton
Michigan, USA

Emphasize Oriental Civilization

As an oriental citizen of the United States, I am becoming more and more concerned about the predominance of occidental mores worldwide. Oriental civilizations have survived because we value people more than commodities. Our cultural and philosophical heritage should be emphasized with good examples, such as that of the army doctor (Zhou Chao, in "Retired Army Surgeon Serves the People." No. 30 — Ed.)

Sita Akka Paulickpulle
Massachusetts, USA

National Day Celebrated With Pageantry

October 1, the 35th anniversary of the founding of the People's Republic of China, was celebrated by massive military and cultural parade through the centre of Beijing, by two hours of fireworks and an evening of street dancing in Tian An Men Square with 3,000 Japanese youths present along with other foreign guests, and by state banquets attended by compatriots from Hongkong, Macao and Taiwan among other guests.

Among those present at the Tian An Men festivities were Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao and other Party and state leaders, and many guests of honour from other countries.

Peace and Construction. On the eve of National Day, Premier Zhao

Ziyang gave a big banquet at the Great Hall of the People. Addressing the guests, he said that nothing short of a large-scale invasion from the outside can shake China's determination to carry through its modernization programme.

He pointed out that China's fundamental task during the socialist period is to develop the productive forces. China needs to concentrate all its efforts on achieving socialist modernization and constantly improving the people's material and cultural lives, he said, calling the reform of the country's economic structure an "extremely important" task.

"The rural reform, which has already yielded major results, is now developing in depth, while reform in the cities, centred on revitalizing the various enterprises,

is also proceeding smoothly," he said. "China's economic structure will be a socialist one capable of pumping enough hope and life into the various enterprises. The country's planned economy will be a socialist planned economy based on the law of value, applied conscientiously by the people. Through the reform, China can surely set up an economic system with distinctive Chinese characteristics and bring the advantage of the socialist system into full and sustained play. It can be predicted that the triumphant advance of the economic restructuring will bring about a new takeoff for China's socialist construction."

Zhao reiterated that opening to the world is a basic long-term policy of the Chinese state which will never possibly be changed. China, like the rest of the world,

Chinese leaders entering the banquet hall together with foreign guests.

Deng Xiaoping addressing the Tian An Men mass celebration rally.



needs peace, he said, adding that China will work untiringly to safeguard global peace.

Military Parade. A grand military parade was held on the morning of the National Day, the first of its kind in 25 years, and also the first with a high level of mechanization and involving the latest weapons in China. Taking part were 10,000 People's Liberation Army commanders and soldiers, armed police and militia and more than 400 tanks, armoured cars and trucks pulling or carrying various kinds of modern weapons, as well as more than 90 jet fighters and bombers.

Deng Xiaoping, Standing Committee Member of the Political Bureau of the CPC Central Committee and Chairman of the Central Military Commission, reviewed the army units in the parade from an open car. Then he delivered a speech from the Tian An Men rostrum (see box for excerpts).

Eighteen large squads of soldiers representing the land, naval and air forces, as well as the armed police and Beijing militia, marched in their new uniforms across Tian An Men Square to martial music. Their strong formations and synchronized marching won the spectators' applause from time to time.

Next came the mechanized troops. The modern weapons displayed included mobile rocket launchers and various kinds of missiles, including intermediate range and intercontinental ballistic missiles. Overhead, formations of bombers and fighters whizzed past, echoing the roaring of machines amid cheers from the onlookers.

All the weapons paraded were designed and made by China.

When the People's Liberation Army began 57 years ago, it was armed with broadswords, spears and a few rifles. Now it can develop advanced weaponry employ-

Deng Xiaoping's National Day Speech (Excerpts)

THIRTY-FIVE years ago Chairman Mao Zedong, great leader of the people of all our nationalities, solemnly proclaimed here the founding of the People's Republic of China and declared that the Chinese people had stood up. In the past 35 years in China, not only was the past dark period of history wholly terminated but a socialist society built up, and this has changed the course of human history. Particularly after the Third Plenary Session of the 11th Central Committee of the CPC, the perverse acts of the counter-revolutionary gang of four were thoroughly redressed, the method of thinking advocated by Comrade Mao Zedong and characterized by seeking truth from facts was restored and developed, and a number of important policies suited to the new situation have been adopted. Thus the whole country has taken on a new look. On the basis of national stability, unity, democracy and rule of law, we have placed socialist modernization above everything else in our work. Our economy has developed more vigorously than ever before, and achievements in all other fields are widely acknowledged. Today, all our people are full of joy and pride.

The Party's 12th National Congress set the target of quadrupling, by the year 2000, the annual gross value of industrial and agricultural output of 1980. Developments in the past few years show that this magnificent target can be reached. Our primary job at present is to reform systematically whatever is impeding our progress in the existing economic structures. At the same time, we shall carry out planned technical transformation of existing enterprises throughout the country and greatly strengthen our scientific and technological research, school education at all levels and the training of all workers, functionaries and

cadres. The whole Party and the whole society must truly value knowledge and let intellectuals play their role. All this will enable us gradually to realize our modernization programme.

China's foreign policy is known to all, and it will remain unchanged. We stand firmly for the maintenance of world peace, for the relaxation of international tension and for the reduction of armaments, first of all the nuclear and other armaments of the superpowers and we are opposed to all aggression and hegemonism. China will remain open to the outside world, and is ready to establish and develop diplomatic relations and economic and cultural ties with all countries on the basis of the Five Principles of Peaceful Co-existence. We stand for the settlement of international disputes through negotiations, just as we have settled the question of Hong Kong with the United Kingdom through negotiations. In the seriously deteriorating international situation, we must strengthen our national defence. All officers and men of the Chinese People's Liberation Army must be alert at all times, constantly improve their military and political qualities and strive to gain knowledge and ability for modern warfare.

We stand for the peaceful reunification with Taiwan, which is part of our sacred territory. Our policy in this regard is also known to all and will not change. It is taking deep root in the hearts of all descendants of the Yellow Emperor. Being an irresistible trend, the peaceful reunification of our motherland will sooner or later come true. We hope that the people of all our nationalities, including all compatriots in Hong Kong, Macao, Taiwan and those residing abroad, will work together for its early realization.

ing jet propulsion, electronics, infrared rays and laser. It has gradually become an integrated army capable of meeting the demands of modern warfare.

People's Procession. After the military came the spectacular people's parade, with 140,000 singing and dancing participants and about 100 colourful and imaginative floats.



Beijing Celebrates New China's 35th Birthday In Grandeur

Deng Xiaoping reviewing a
PLA honour guard from a
limousine.

Mobile launchers tow
missiles through Tian
An Men Square.



Happiness is on every face
as students march through
the square.



Five colourful floats lead the peasants contingent. The characters read:
"The responsibility system linking remuneration with output is good."





The artists contingent is heralded by giant dragon dancers.



A young girl shares the jubilation with her father.

Jubilant scientists and technicians on the march.



One of several floats representing the army of industrial workers. The slogan reads: "March towards industrial modernization."



Fireworks illuminate the nighttime festivities in Tian An Men Square.



The huge procession was divided into eight sections: The flag-bearers, peasants, workers, scientists and teachers, city dwellers, athletes, writers and artists, and Young Pioneers. Giant charts, models and placards held aloft by the paraders and the floats showed China's development.

The peasants came first, playing *On the Land of Hope*, a popular song in rural China, on more than 1,000 *suona* horns. The merry song expressed the 800 million peasants' new confidence. The recently introduced economic policies have brought them bumper harvests and the beginnings of an affluent life.

"The good situation in agriculture is all to Your Excellency's credit," said Prince Sihanouk to Deng Xiaoping while watching the parade from the Tian An Men rostrum.

Deng, smiling and pointing to a placard that just came into sight, replied: "But you can see from what's written on that placard that it is all due to China's good policies." The placard reads, "The responsibility system linking remuneration with output is good."

It is believed that the responsibility system, popularized in the rural areas since 1979, has led the Chinese peasants on the road towards prosperity.

Conspicuous in the column of scientists, students and teachers was a placard reading, "Hi, Xiaoping!" Holding it were a group of robust college students, who lost no time in tossing bouquets to those on the reviewing stands.

But the atmosphere in Tian An Men Square crackled when the athletes passed through. Spectators cheered and waved at the floats bearing the gold medalists from the summer Olympics. The progress made by the Chinese athletes — with 15 golds they came

fourth in gold medal standings at Los Angeles Games — represents the rejuvenation of the entire nation. Chinese sports are fast catching up with advanced world levels, as are various other fields of endeavour.

The parade came to a jubilant end at noon. When night fell, 160,000 young people converged on Tian An Men Square for a gala celebration. Lanterns, neon lights and fireworks lit the square as bright as day and happiness, colour and friendship ruled as merrymaking crowds danced, sang and played to their hearts' content. Among them were 3,000 Japanese youths as well as 1,000 foreign students.

Perhaps the one disappointment was the absence of representatives from Taiwan. "Since the Japanese could come and get together with us, why couldn't young people from Taiwan?" asked Li Dawei, who crossed over last year piloting a jet fighter.

Reunification. On the evening of September 28, Deng Yingchao, Chairman of the National Committee of the Chinese People's Political Consultative Conference, gave a reception to compatriots from Taiwan, Hongkong and Macao and overseas Chinese.

Addressing the reception, Premier Zhao said the past 35 years had shown that the Chinese Communist Party, government and people are fully capable of coping with any situation and can overcome all difficulties.

Since the Third Plenum of the 11th Party Central Committee, he pointed out, China's policies have yielded marked achievements in various fields. These policies are not only supported by the people at home, but have also won the favour of friends in other countries. China, he said, holds great promise in reunification and rejuvenation.

HK Agreement Hailed Worldwide

Domestic and international reactions to the Sino-British declaration on Hongkong initialled Sept. 26 in Beijing are largely in favour of Hongkong returning peacefully to China in 1997.

The Chinese press hailed the document as happy news for China, saying it is in the interests of both China and Britain.

"The declaration reflects the long-cherished aspirations of the Chinese people," said Ni Zhifu, president of the All-China Federation of Trade Unions. "It also explicitly guarantees the just rights of workers in Hongkong, which we fully support."

When the news reached Shanghai, which does a great deal of business with Hongkong, people were delighted. Industrialists and business people in both metropolises decided on the day the declaration was initialled to set up a preparatory committee to establish a Shanghai-Hongkong economic association.

People all over China recalled that the prosperous economy in Hongkong has much to do with the assistance from mainland China, whose modernization drive will help maintain the region's economic growth.

Hongkong

In Hongkong, most newspapers expressed satisfaction with the accord and said the people greatly appreciate the Chinese Government's decision to follow a different system in Hongkong after 1997.

Many people found the declaration to be far better than they had expected. L.K. Ding, a Hongkong labour leader, said, "Many people were unsure and sceptical, but this

will dampen some of the scepticism. Now we are out into the light."

Because the documents accompanying the actual accord clearly explain China's policy concerning land leases, taxes and other questions, entrepreneurs are confident they can still invest in long-term development of knowledge and technology-intensive industries.

Bulls prevailed over profit takers in Hongkong as they spurred the stockmarket nearly 16 points in a mood of optimism over the agreement. And the Hongkong dollar reached its strongest level for more than two months and is trading virtually at its link price of about 7.80 to the US dollar.

UK

In Britain, Foreign Secretary Geoffrey Howe said in a BBC television interview that the Sino-British declaration is the "best possible agreement" Britain could get from China and is "in the interests of the Chinese Government and our own."

Politicians from all the main British parties gave a "broad welcome" to the joint declaration. Labour Party's Foreign Affairs spokesman George Robertson said the agreement was generally good. And the Liberal Party's Foreign Affairs spokesman Russell Johnston said that China's willingness to contemplate the concept of "one country, two systems" "can provide the basis of a stable future for Hongkong."

The joint declaration was prominently featured on the front pages of the British newspapers, which called the document "good" and "remarkable" and said it has removed "much uncertainty about the next 13 years." They forecast that "there seems little doubt that the Government will be able to

get it approved by Parliament without too much difficulty."

World Reaction

Immediate international reaction was also positive, with many countries issuing statements welcoming the successful conclusion of the two years of negotiations between China and the United Kingdom.

When the news reached the United States, US Secretary of State George Shultz sent congratulations to Foreign Minister Wu Xueqian, who was in New York attending the UN General Assembly.

The news was also greeted in France and Japan. And Foreign Minister Hans-Dietrich Genscher of the Federal Republic of Germany said in a statement that the declaration shows that countries of different systems will be able to achieve balanced interests through peaceful negotiations and the agreement itself is "an encouraging example of international co-operation."

Canadian Secretary of State for External Affairs Joseph Clark said "both sides should be congratulated for their skill in hammering out this document over two years of complex discussions." And UN Secretary General Javier Perez de Cuella described the agreement as something very much needed in international relations.

The Sino-British declaration on Hongkong was also welcomed in India and other Asian countries. A spokesman of the Thai Foreign Ministry, Sawanit Kongsiri, said that the "smooth settlement of the Hongkong problem will be not only beneficial to Thailand but to other countries as well." The Singapore Government, in a statement, noted that the agreement will allow Singapore to continue its economic ties with China through Hongkong after the return of Chinese sovereignty over Hongkong in 1997.

China Still Stands Behind Kampuchea

China has reaffirmed its support for Democratic Kampuchea in its struggle against the Vietnamese invaders.

"We'll give support now, in the future and at all times," said Party General Secretary Hu Yaobang on September 30 as he met in Beijing with a Democratic Kampuchean delegation headed by Prince Norodom Sihanouk, President of Democratic Kampuchea. Premier Zhao Ziyang and Deng Yingchao, Chairman of the National Committee of the Chinese People's Political Consultative Conference, met separately with the delegation the same day to give it their support.

On October 1, Sihanouk, standing shoulder to shoulder with Deng Xiaoping, was the special guest of honour on the rostrum as China's leaders watched the giant National Day celebrations in Tian An Men Square to mark the 35th anniversary of the founding of the People's Republic.

On October 2, Deng met with the Kampuchean delegation led by Sihanouk. He said, "We have invited you to view China's National Day celebrations as an expression of political and moral support. We believe that you will one day hold your own celebrations like the one we had yesterday in Beijing — celebrations to be held by your three parties."

"China will remain a reliable friend of Kampuchea, and hopes that the coalition will work together for eventual victory," Deng added.

The Democratic Kampuchean delegation, which included Prime Minister Son Sann and Khieu Samphan, Vice-President for Foreign Affairs, arrived on September 28.



President Li Xiannian holds talks with Democratic Kampuchean leaders.

President Li Xiannian, who conducted talk with the delegation, said he was happy to see greater unity and closer co-operation between the three parties of the coalition government of Democratic Kampuchea, calling it a "fundamental guarantee of the Kampuchean people's victory in the struggle against Vietnamese aggression."

Sihanouk said the three sides will never split. They are determined to maintain their unity until liberation and in the reconstruction of the country after that.

Son Sann said, "The patriotic armed forces of the Kampuchean people have won great victories. The current situation in Kampuchea is quite different from that of 1980 and 1981. . . . The armed forces of the three parties of Democratic Kampuchea have high morale and enjoy popular support."

Khieu Samphan said the army and civilians of Democratic Kampuchea respect Sihanouk as president. "He is President of Democratic Kampuchea in today's struggle against the Vietnamese aggressors, and will remain so in rebuilding our country after victory."

In his speech at the welcome banquet, Li said, "The great struggle of the heroic Kampuchean

people against aggression is of world significance. It will not only save the nation but safeguard the principles and dignity of the UN Charter."

"Viet Nam's aggression and expansion," he said, "have not only imperiled peace and security in Southeast Asia but have brought about serious disasters for the people of its own country."

"Only by withdrawing its troops completely from Kampuchea can Viet Nam expect understanding from the international community and enable its people, who have experienced decades of war, to recover their vigour and concentrate their strength on building their country," he said. "Refusal to withdraw the troops will certainly bring about defeat."

He said a total troop withdrawal could provide necessary conditions for the restoration of friendly relations between China and Viet Nam. He believed the same holds true for the Southeast Asian countries.

If the Vietnamese authorities stick to their policy of aggression and expansion, he said, "China will have no other alternative but join other countries and peoples in continuing to support the Kampuchean people until they win final victory."

Rally Welcomes Japanese Youths

Three thousand Japanese youths in China at the invitation of Party General Secretary Hu Yaobang, were greeted by 15,000 Chinese youths at a large rally at the Capital Stadium in Beijing on the Chinese National Day. Hu Yaobang, President Li Xiannian and Peng Zhen, Chairman of the NPC Standing Committee, were present.

In his speech, Hu said, "Peaceful coexistence and friendly co-operation between our two countries in recent years have greatly benefited the two peoples as well as promoted stability in Asia and world peace."

The efforts of the younger generation of both countries, he continued, will determine whether the friendly relations pioneered by the older generation are carried forward.

"You are people who will live in two centuries," he said. "If the young people of the two countries are determined to develop the friendly relations between the two nations and tell their children to do so, we can say for sure that the 21st century will see the friendly ties between China and Japan grow stronger."

Japanese Ambassador Yosuke Nakae read a message of congratulations from Japan's Prime Minister Yasuhiro Nakasone which said that the visit by Japanese youth to meet their Chinese counterparts and to take part in China's National Day celebrations truly reflects the good relations existing between Japan and China today.

Nakasone's message went on to say that mutual understanding and friendship fostered when one is young is not easily forgotten later in life. He expressed the hope that the friendly relations between China and Japan will weather all



Hu Yaobang addressing the rally in honour of the 3,000 Japanese guests.

global turbulence and grow in a sustained way

Economic Take-Off Brings More Jobs

China's ranks of the jobless are quickly diminishing in the wake of robust economic development

The number of people waiting for jobs across the country dropped from 6.36 million in 1979 to 2.71 million in 1983. In some small and medium-sized cities, unemployment no longer exists. In Changzhou, a medium-sized industrial city in east China's Jiangsu Province, everyone is assigned to a job soon after he or she joins the work force

Unemployment posed no serious problem in the early 1950s, shortly after the People's Republic was established. At the time, 4 million unemployed left from the old society were assigned to jobs and another 10 million young people who became eligible for jobs were placed

Unfortunately, the "Left" mistakes that held sway after 1958, particularly during the decade long "cultural revolution," and our mistakes in work caused numerous setbacks. Many of these who were

ready to go to work had to stay home doing nothing. The result was a swelling army of job-waiting people.

A series of more flexible economic policies adopted since 1979 have breathed new life into the once-ailing economy, enabling the nation to come to grips with the employment problem. In the past five years, 39.16 million people were assigned to jobs and the employment problem has been much alleviated

Collective and individual economic undertakings, rather than state-run enterprises, have provided most of the jobs for urban young adults. Fifty-eight per cent of those who found work were either collective firm employees or self-employed workers

Labour service companies that have sprung up across the land over the last few years have contributed much to organizing, training and supplying the nation's labour needs. They have also been instrumental in generating new jobs by running collective economic undertakings. By the end of last year, 23,988 labour service companies had been set up, which had trained and provided jobs for 5.7 million people

Welfare Benefits Becoming Common

About 100 million Chinese workers and cadres are enjoying state labour insurance and welfare benefits, paid out in accordance with the constitutional stipulation that old, ill or disabled citizens have the right to material assistance and social insurance

By the end of last year, there were nearly 13 million retired workers and cadres, 650 times those in 1952, and they received 9,000 million yuan in pensions. Medicare spending by state-owned enterprises and departments has grown from about 3,000 million yuan in 1978 to more than 5,000 million yuan in 1983.

In addition to the enterprise and department welfare benefits, many localities have instituted old age insurance systems in collectively owned enterprises and departments, and social insurance systems offering welfare to contracted labourers on the job, after contracts expire and even after their retirements. On the outskirts of some big cities and in some prosperous rural areas, peasants are also given pensions

At present, China has 14,800 nursing houses or homes accommodating 220,000 senior citizens who have no dependents, orphans and disabled children. China's civil affairs departments have arranged jobs for 66,000 handicapped at more than 1,600 welfare-related factories. In addition, 8,300 such factories employing an other 100,000 handicapped have been set up at the neighbourhood level by various localities. As a result, a recent survey shows, of the 8 million handicapped in China, almost all those who are able to work have been employed

Chad

French-Libyan Troops Pulling Out

by WEN GUOSHUANG

FRENCH and Libyan troops, squared off against one another in Chad since August 1983, began to head home September 25 after a withdrawal agreement was reached September 17. Both countries' troops are scheduled to be completely out of Chad by November 15.

The withdrawal of the troops leaves settlement of the disputes between the opposing Chad factions to the Chadians themselves. When French troops were dispatched to the desert last year at the request of the Chadian Government in N'Djamena, the situation was potentially explosive. But no actual fighting occurred after the French and Libyan lines settled in at the 16 degrees north latitude line.

It is reported that both France and Libya continually made secret contacts in an effort to avoid real confrontation and to seek peace in Chad. While Hissene Habre's N'Djamena government in Chad urged the French troops to push north and attack the opposition-backed Libyan troops, French President Francois Mitterrand reportedly three times dispatched a special envoy to the Libyan capital of Tripoli to let the Libyan leaders know that no French attack would take place if Libyan troops stayed north of the defence line.

Last February, when French Foreign Minister Claude Cheysson visited Tripoli, the two nations agreed in principle that when the Chadian factions reach agreement, France and Libya would

withdraw their troops immediately.

Libyan leader Muammer Gaddafi took the proposal a step further two months later, proposing through an Austrian intermediary to Mitterrand that France and Libya withdraw their troops even in the absence of a solution to the Chadian problems. The August signing of a union pact between Libya and Morocco brought some delicate changes to the relations between countries in north Africa and put France in an awkward position. Under the terms of the union pact, Morocco, a long-time friend of France, would be called upon to help Libya battle France if fighting in the desert broke out.

French President Mitterrand quickly visited Morocco's capital, Rabat, twice within three days in a diplomatic offensive to seek a settlement of the Chadian issue. And, after two follow-up visits to Libya by French Foreign Minister Cheysson, the agreement to withdraw the French and Libyan troops was announced.

The announcement was welcomed in France. A French newspaper said in its editorial that both France and Libya should heave a sigh of relief to be leaving the desert.

The French military action in Chad, which lasted more than 13 months, was the largest abroad since the Algerian war (1954-62). It cost France 3.5 million francs (US\$370,000) daily to keep its 3,200 soldiers stationed in the desert, where even bathing water had to be airlifted.

Libya is also glad to have this heavy burden off its back. Its economy faces problems resulting from the 50 per cent decline in oil income. In Chad, the Libyan-backed Transitional Government of National United under Goukouni Weddeye was in disunity and its strength was weakened. All these factors urged Libya to seek an honourable way out of Chad.

The evacuation of foreign troops from Chad does not necessarily mean the Chadian problem is solved. When the French-Libyan buffer zone disappears from the war-torn land, the opposing sides in Chad may move to fight again. If so, the troop withdrawal only means a renewal of war in Chad.

In the hope of avoiding that scenario, France has intensified its push for African countries to convene a reconciliation conference for the opposing factions in Brazzaville.

The French-Libyan troop withdrawal was welcomed by many African countries and the Organization of African Unity, which considered it a guarantee for the independence and territorial integrity of Chad and a chance for the Chadian people to come to the negotiating table to restore peace to the country.

Meanwhile, the withdrawal drew mixed reactions from the opposing factions in Chad. The opposition under Goukouni was pleased with the agreement, but the Habre government in N'Djamena worries that the Libyans will stage a comeback after French troops leave. It has not forgotten that Libya pulled its troops out of N'Djamena in November 1981, but came rolling back across the border in July 1983.

Despite reservations, Habre officials admit the withdrawal by France and Libya should clear the

way for fresh reconciliation talks with Goukouni and other exiled opposition groups

Thailand-Laos

Viet Nam Behind Border Dispute

by HAI XIA

A DISPUTE over the sovereignty of three border hamlets has escalated into armed conflict between Thai and Laotian troops. And with Viet Nam actively backing Laos, no quick end to the fighting seems likely.

Thailand and Laos are at odds over which country should have sovereignty over three small villages along the border, Ban Mai, Ban Klang and Ban Sawang. The hamlets are situated along the border between Thailand's Uttaradit Province and Lao's Sayaboury Province. While both countries accepted a border established by the 1904 French-Siamese treaty, they each claim to hold maps that show their sovereignty over the villages.

This April when Thai road-building engineers visited the area while exploring the geography, they found that Laotian people were living in the villages they felt were inside the Thai border. In the latter part of May, Thailand sent a small contingent of troops to the area, but they were attacked by Laotian troops, who took control of the three villages. In early June, Thai troops returned and seized the hamlets.

Two rounds of negotiations followed in July and August, but no agreement could be reached. Both sides claim to have maps putting the villages in their territory. While Laos has a map drawn according to the 1907 French-Siamese treaty which clearly places the hamlets within Laos' border, Thai

officials noted that Thailand never signed that treaty and they rely on a map drawn according to the 1904 treaty, which they say places the villages in Thailand.

During negotiations, the Thai side proposed that a joint inspection team study the disputed area. But the Laotian negotiators demanded that the Thai troops be withdrawn first. Thailand's negotiators said their troops would not leave unless Laos guaranteed that Laotian troops would not move in after the Thai withdrawal.

With no agreement in sight, Thai officials called off the talks and moved to send a technical inspection team of its own to the area. They would accept the results of an impartial third country's inspection. Laos said that the move was an attempt to make an illegal occupation legal and began to intensify its military deployment along the border. Laos sent in airplanes and adopted strict measures controlling the border residents.

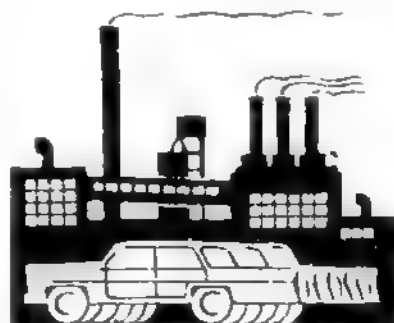
Laotian troops began to shell the villages of Ban Mai and Ban Klang in late August, inflicting casualties upon Thai soldiers. Armed attacks continued through September and Thai Supreme Commander of the Armed Forces Arthit Kamlang-Ek ordered the army to be on the alert. The border dispute had escalated to the brink of full-scale war.

That the border dispute has escalated to battle mainly results from interference by Viet Nam. Laos today is completely under the military and political control of Vietnamese authorities. Some 50,000 Vietnamese troops have oc-

cupied the various major strategic places in Laos. A great number of Vietnamese troops have been stationed along the Mekong River at the Laos' border with Thailand and more than 1,000 Vietnamese advisers now control the various departments of the Laotian Government. It is easy to see that the stern attitude held by the Laotian delegation during the negotiations reflected the Vietnamese stance.

The slanders that "Chinese expansionists and chauvinists" plotted the illegal military occupation of the three hamlets were evidently created by Viet Nam. A diplomat in Bangkok stated that the rigid attitude of Laos has reflected the wishes of Hanoi. While creating the tense situation along the Sino-Vietnamese border, the Vietnamese authorities have attempted to intensify the tension between Thailand and Laos so as to exert pressure upon Thailand from both Kampuchea and Laos. Viet Nam hopes to vilify Thailand and China and distract the attention of the international community from the Kampuchean issue.

Therefore, the dispute over the sovereignty of the three hamlets between Thailand and Laos cannot be solved quickly. According to its desire for regional hegemonism, Hanoi will use double tactics of military threats and peaceful negotiations. Though talks may be called, there is a possibility that Laotian troops, with Viet Nam's backing, will occupy these three hamlets and further aggravate the tension.



China's Stand on World Situation Outlined

Peace and development are two major issues in the world today. They also constitute the primary objectives of China's domestic and foreign policies.



Wu Xueqian speaks to the 39th United Nations General Assembly.

Following is the statement by Foreign Minister Wu Xueqian at the 39th Session of the United Nations General Assembly on September 26, 1984. — Ed

AS representatives of the governments of various countries of the world, we meet here every year to hold extensive exchanges of views on the international situation and to explore ways to maintain world peace, ensure international security and promote human welfare. This fact itself testifies to the importance of the United Nations Organization and the historic mission incumbent on it.

Reviewing the international developments over the past year, people cannot but feel worried. With the suspension of their disarmament negotiations, the two nuclear superpowers have stepped up their deployment of intermediate-range missiles in Europe and adopted

confrontation measures, thus further escalating their nuclear arms race. This poses a new threat to all European countries and deeply disturbs all countries in the world. Over the past year, while the two wars of aggression in Asia have been going on unchecked, a new armed invasion occurred in Central America. The Middle East is still fraught with crises, and the flames of war in the Gulf region are spreading, which has caused widespread concern. Basically speaking, the tension and sharp contradiction in southern Africa are not yet relaxed. Meanwhile, the serious economic difficulties of many developing countries show clearly that the global North-South contradiction is sharpening and the gap between the rich and the poor widening. Therefore, I think no one will deny that peace and development, generally speaking, remain the two fundamental questions bearing upon the interests of

all the peoples in the world today. I would like to take this opportunity to offer some observations on the two questions on behalf of the Chinese Government.

At present, what concerns and disturbs people most is the threat of a nuclear war. Despite innumerable rounds of talks on nuclear disarmament and a variety of proposals to this end, nuclear weapons have continued to increase and nuclear stockpiles have reached extremely dangerous proportions. As is universally recognized, the two superpowers ought to bear the main responsibility on this question. It is they who possess over 95 per cent of the world's total nuclear weaponry, and they alone who are in a position to fight a nuclear war. Should they choose to use only a small portion of their nuclear arsenals, not only the people of these two nuclear powers would suffer, but the people of the whole world would be plunged into an unprecedented holocaust. For this reason, the numerous small and medium-sized countries and the people throughout the world are fully justified to demand that they immediately halt their nuclear arms race and take the lead in drastically cutting back their nuclear weaponry.

The arms race between the two nuclear powers is extending to outer space. Both sides are stepping up the development of antiballistic missile weapon systems so as to reinforce their strategic offensive capabilities through improved strategic defensive means. Recently, they have made some gestures on the question of outer space weapons, each mounting negotiation offensives against the other.

However, as people can see, negotiations have not really started and yet each of the superpowers is busy shifting the responsibility for obstructing and sabotaging the talks onto the other. This cannot but arouse suspicion: Do they really intend to hold talks or just use them to cover up their arms race in outer space?

As the arms race between the two nuclear powers escalates, the danger of a nuclear war will increase with each passing day. Though already possessing an over-saturation and over-kill nuclear capacity, each of the superpowers is doing its utmost to gain supremacy over the other on the pretext of "maintaining parity" and "equal security," lest the other side would surpass it in terms of quantity and quality of nuclear weapons. This practice of progressive escalation of nuclear armaments cannot but arouse doubts as to whether or not they truly have sincere desire for disarmament. What the people of the world want is genuine and effective disarmament to ensure that people can live in peace and security.

The Chinese Government and people always stand for nuclear disarmament. We hold that efforts should be made to promote progress in conventional as well as nuclear disarmament. The small quantity of nuclear weapons China possesses is solely for the purpose of self-defense. We have solemnly declared time and again that at no time and in no circumstances will China be the first to use nuclear weapons and that it unconditionally undertakes not to use nuclear weapons against non-nuclear states and regions. China has never participated, nor does it intend to participate, in the nuclear arms race or to shirk its responsibility in regard to nuclear disarmament.

China's position on nuclear disarmament can be summed up in the following three basic points:

1. Our fundamental position is the complete prohibition and thorough destruction of all nuclear weapons.

2. As a practical step for nuclear disarmament, we propose that, after the Soviet Union and the United States have taken the lead in putting an end to testing, improving and manufacturing nuclear weapons and have agreed on substantially reducing their nuclear arsenals, a broadly representative international conference should be convened with the participation of all nuclear states to work out together concrete measures for further nuclear disarmament.

3. Before all this materializes, for the sake of reducing the threat of nuclear war and showing good faith in nuclear disarmament, all nuclear states should undertake not to be the first to use nuclear weapons and unconditionally pledge not to use, or threaten to use, nuclear weapons against non-nuclear states and nuclear-free zones and should reach agreement on mutual non-use of nuclear weapons.

We support the just demand of the people of the world for the prohibition of nuclear weapons and the prevention of a nuclear war, and we appreciate all reasonable proposals conducive to nuclear disarmament and the maintenance of world peace. To promote progress in nuclear disarmament, we are ready to exchange views, within the United Nations or at other forums, on such issues as the prevention of nuclear war, cessation of the nuclear arms race and nuclear disarmament, provided all the other nuclear states agree to do so.

As things now stand, we cannot but emphasize that it is of great urgency to demand that the two nuclear powers stop their nuclear arms race, halt the deployment of new intermediate-range missiles, resume negotiations on nuclear disarmament and reduce and destroy those nuclear missiles

already deployed in Europe, Asia and elsewhere and that they immediately stop extending their arms race to outer space. We stand for the early conclusion of a treaty on the prohibition of arms race in outer space and a ban on research, testing, development, manufacture, deployment and use of all weapons designed for outer space warfare as well as destruction of all the existing outer space weapon systems. All this is highly necessary for demilitarizing the outer space and ensuring the peaceful use of outer space by mankind.

China has always opposed the development, production and use of all biological weapons detrimental to mankind. The Standing Committee of the Chinese National People's Congress already adopted on September 20, 1984 the decision on China's accession to the convention on the prohibition of biological weapons. From now on, China will join other countries to combat all acts that violate this convention and to work hard for its further improvement so as to advance the whole process of disarmament.

A major cause of the turbulence and tension in the world today is the commission in international relations of such acts as infringement on the sovereignty of other countries, invasion and occupation of their territories, interference in their internal affairs and the use of force against them in violation of the basic principle of "sovereign equality of all states" as set forth in the UN Charter.

We are of the view that all nations, big or small, strong or weak, rich or poor, should be treated as equals and that they should respect one another, live in harmony and engage in mutually beneficial co-operation. The affairs of a country should be determined by the people of that country themselves. External interference of

all kinds is illegal and impermissible.

In pursuing their foreign policies, all countries should observe the norms guiding international relations and abide by the UN Charter. However, the superpowers, on the strength of their size and power, often try to impose their own will on others, thinking they could do whatever they please. Instead of respecting the sovereignty, independence and territorial integrity of other countries, they have pursued hegemonism and power politics and even carried out armed aggression against weak and small countries. With their support, certain regional hegemonists do not scruple to play the tyrant and have tried to annex territories of their neighbours by force. At this solemn rostrum of the UN General Assembly, we have condemned more than once the big and small hegemonist powers for their acts of aggression in violation of the UN Charter and in breach of international security. Today, we once again strongly condemn these acts. People throughout the world will go on denouncing the hegemonists with full justice so long as they persist in such acts of aggression.

At present there exist many "hot spots" in the world. Some areas may become "hot spots" tomorrow. Kampuchea is still being trampled upon. The war of aggression against Afghanistan is being intensified and expanded. The situation in the Middle East and Central America remains complex, tense and volatile. In southern Africa, the racists and colonialists are obstructing national independence and threatening the security of neighbouring countries. Some of these "hot spots" have resulted from direct aggression by the superpowers; others have turned into international crises because of their meddling, intervention or behind-the-scenes support and manipulation. To cool down the

"hot spots," relax tensions and resolve contradictions, the prerequisite is to stop interference, control and infiltration by the superpowers and their followers so that the parties concerned in each country or region may seek reasonable solutions to their respective internal problems through peaceful negotiations.

As an old Chinese saying goes, "Common fear leads to unity; common greed leads to rivalry." This is how the world situation stands today. On the one hand, the two superpowers are rivaling for world hegemony; on the other hand, the large numbers of small and medium-sized countries are steadily strengthening their unity and supporting one another in the struggle against hegemonism. It is our belief that in the face of an unjust action where the strong bullies the weak and the big oppresses the small, the international community has the responsibility and obligation to speak out for justice and wage struggles against such acts in order to uphold the norms governing international relations and the principles of the UN Charter. Far from helping world peace and stability, tolerance towards aggressors will only inflate their arrogance.

The struggles of the world's people against hegemonism, imperialism, colonialism and racism are all just struggles, to which the Chinese Government and people will, as always, give firm support.

We support the position of the Democratic People's Republic of Korea for the holding of tripartite talks, easing of tension in the Korean Peninsula and the independent and peaceful reunification of Korea, and calling for the withdrawal of US troops from South Korea.

We support the people of Afghanistan in their heroic struggle to safeguard national independence and resist foreign aggression. We

oppose the efforts of the Soviet Union to intensify its aggression against and devastation of Afghanistan and we demand the withdrawal of Soviet troops from Afghanistan.

We have always stood by the Arab people and supported their just struggle against Israeli aggression and expansion and the just struggle of the Palestinian people to regain their legitimate national rights, and we demand Israel's withdrawal from Lebanon and from all the other Arab territories it has occupied since 1967.

We support the just struggle of the people of Namibia for national independence and that of the people of South Africa against apartheid and racial discrimination and demand the withdrawal of the troops of South Africa from Namibia and the cessation of military threats to the neighbouring countries.

We support the Latin American people and the Contadora Group in their endeavour for peace and stability in Central America and demand that the outside forces stop their acts of military intervention and infiltration in this region.

Here I would like, in particular, to say a few words about the question of Kampuchea. Almost six years have passed since Viet Nam invaded and occupied the independent and sovereign state of Democratic Kampuchea by armed force. Viet Nam refuses to give up its wild ambition of annexing Kampuchea despite repeated setbacks on the battlefield in its successive "dry season offensives." It has time and again played the trick of the so-called partial withdrawal in an attempt to cover up its refusal to withdraw its troops. Its demand to condition its troop withdrawal on the exclusion of one of the patriotic resistance forces of Kampuchea has revealed all the more clearly that to this day it lacks the sincere desire to solve the Kampuchean question. We

Glimpses of Changing China





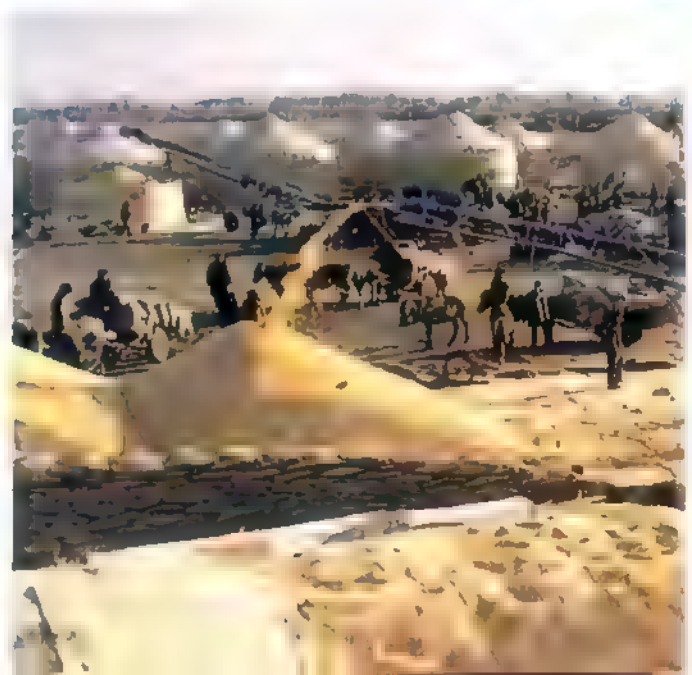
The modern "pagodas" of the Karamay Oilfield in Xinjiang.

Photo by Chen Bo



A special new coal dock in Qinhuangdao Harbour

Photo by Sun Zhong





The Luohu district of the Shenzhen Special Economic Zone.

Photo by Xue Chan



Nordino, a 12,300-ton container ship built by the Shanghai Shipyard for Federal Germany, goes through the rapids in the Atlantic Ocean.

Photo by Xin Han



A specialized household in the suburbs of Yangzhou, Jiangsu, breeds ducks.

Photo by Dai Jiming

A bumper grain harvest in Ushu County, Jilin Province.

Photo by Zhang Hufeng



The first Chinese communications satellite is successfully launched

Photo by Yang Wumir



THE FIRST CHINESE COMMUNICATIONS SATELLITE IS SUCCESSFULLY LAUNCHED
 PHOTO BY YANG WUMIR

hope to see a fair and reasonable solution to the question of Kampuchea at an early date. But a political settlement of this question must be predicated on the withdrawal of all the Vietnamese aggressor troops from Kampuchea. In our view, whether to firmly oppose aggression by Viet Nam and demand the withdrawal of its troops is a fundamental test as to whether one gives resolute support to the just struggles of the people subjected to aggression, safeguards the independence of sovereign states, works for the maintenance of world peace and security and upholds the basic norms of international relations. We support the legitimate status and authority of the tripartite Coalition Government of Democratic Kampuchea headed by Prince Sihanouk. We believe that after the withdrawal of Vietnamese troops, the various Kampuchean political forces will get united on a broad basis, and that the Kampuchean people can decide their own future through a UN-supervised general election, free from outside aggression and interference. We hope to see Kampuchea become an independent, peaceful, neutral and non-aligned state.

The Chinese Government pursues an independent foreign policy, firmly opposes hegemonism, and resolutely stands by all peoples who are subjected to oppression and aggression. China will never attach itself to any big power or group of powers, nor yield to any outside pressure. We support the non-aligned movement and will not enter into alliance with any big power. We do not practise the so-called equidistant diplomacy, or play cards or ally ourselves with one big power against the other. In our external relations, we have always followed the Five Principles of Peaceful Coexistence initiated jointly by China, India and Burma 30 years ago. They are: "Mutual respect for sovereignty and terri-

torial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence." In accordance with these principles, China has improved relations with neighbouring countries, concluded a number of boundary treaties and treaties of peace, friendship and co-operation, and developed friendly relations with many countries in Asia, Africa, Latin America, Europe, North America and Oceania. The Five Principles of Peaceful Coexistence have long been written into China's Constitution and are the basic norms China follows in handling its relations with all countries. We want to live in peace and develop normal relations with all countries. Even though some countries have differences of one kind or another with us for this or that reason, we are ready to seek a settlement of the differences in a spirit of mutual understanding and consultation so that our relations with them may gradually improve.

Over the past three decades, the Five Principles of Peaceful Coexistence have stood the test of international vicissitudes and shown great vitality. Experience shows that they are the basic norms governing relations between states and constitute an important weapon against hegemonist interference and aggression. In line with the trend of history and in response to the call of our time, they reflect the aspirations and interests of the people of all countries, and have thus won their appreciation and support. Whether relations between countries are good or bad depends on whether or not they adhere to the Five Principles of Peaceful Coexistence. If these principles are adhered to, countries with different social systems can live in amity and engage in friendly co-operation. But if not, even countries with similar social systems may fall out and come into confrontation or even con-

flict. We stress the importance of the Five Principles of Peaceful Coexistence here because they are in accord with the principles of the UN Charter. So long as all countries strictly adhere to the Five Principles of Peaceful Coexistence in their mutual relations, whether between big powers, or between big and small countries, or between small countries, it will not be difficult to have international tensions relaxed, and world peace will surely be preserved.

The peace and stability of the world depend on a sustained growth of national and international economies. The development of the third world has become one of the biggest challenges mankind faces today.

This year marks the 10th anniversary of the Declaration on the Establishment of a New International Economic Order and the Programme of Action which were adopted by the United Nations General Assembly at its Sixth Special Session. At that session 10 years ago, Deng Xiaoping, Chairman of the Chinese Delegation, pledged China's support to the just position of the third world countries calling for the restructuring of the inequitable and irrational international economic order. Despite the persistent efforts made by the developing countries to remove external constraints imposed on their economic development and to improve North-South relations, the actual results are far from satisfactory. Up to now, global negotiations have not yet been launched and the immediate measures for solving the current urgent problems affecting the developing countries have failed to materialize. It is still a far cry from the objectives set forth in the Declaration and the Programme of Action adopted at the Sixth Special Session of the General Assembly owing to international obstacles from certain quarters.

At present, economic recovery in the West is still very unsteady and the economic prospects in developing countries remain grim. They are faced with such difficulties as economic stagnation, lack of funds, export restrictions and heavy debt burden. Their development is being seriously hindered.

The grave difficulties of the least developed countries, particularly the desperate plight of many such countries in Africa, ought to receive close attention and deep sympathy from the whole world. In the areas south of the Sahara, more than 100 million people are plagued by famine, with vast numbers of women and children on the verge of death, as a result of long years of economic stagnation and drop in per capita income for years running, coupled with the threat of continued drought and reduction of grain output. It is urgent for the international community to take concerted action in response to their appeal for help in coping with the difficulties. All developed countries have the obligation to give them adequate aid of all kinds and help them overcome their economic difficulties and alleviate the people's sufferings.

The grave debt problem is an urgent issue facing developing countries, Latin American countries in particular. The total volume of external debts incurred by the third world as a whole has reached a staggering figure. Recently, the continued rise of interest rate of US banks has further increased the burden on debtor countries. In our view, to settle the debt problem is the responsibility the creditor countries, commercial banks and international financial agencies should shoulder together with the debtor countries. The principle for settling this problem should be "promotion of debt service through development." The debtor countries should be asked to adopt readjust-

ment policies aimed at promoting their economic growth, and not to impose a recessionist policy. The creditor countries should take such measures as lowering high interest rates, improving terms of payment, reducing trade restrictions, increasing governmental development aid and providing adequate credits and loans so as to reduce burden of the debtor countries. We appreciate and support the reasonable proposals put forward by debtor countries for settling the debt problem and the responsible attitude they adopt. We hope that through their own sustained efforts and with the attention and help of the international community, the debtor countries will be able gradually to extricate themselves from their difficult position so that the current debt crisis may be eased and overcome.

Protectionism is another urgent problem that affects the economic growth of the developing countries. We have noted with concern that, with the gradual recovery of the economies of developed countries, protectionism is on the rise rather than decline. This has become a major obstacle to the economic recovery and development of the developing countries. We call on the major developed countries immediately to adopt effective measures to honour their promises made at various international forums and to halt and reverse the trend of increased protectionism against the developing countries, so that the latter may increase their export earnings and create conditions for the expansion of their imports and the growth of their economies.

The world economy is an integral whole. Its stability and growth cannot be based on the affluence of the few and the impoverishment of the many. Without the economic growth of the developing countries, it will be difficult for the developed countries to achieve sustained economic re-

covery and expansion. This truth is quite obvious and has come to be appreciated and supported by more and more persons with breadth of vision in the West. It is regrettable that some major developed countries have thus far failed to consider in earnest the practical difficulties and urgent demands of the numerous developing countries. These developed countries have remained indifferent to North-South dialogue and global negotiations and opposed a restructuring of the old international economic order. Theirs is a shortsighted policy.

The Group of 77 has already put forward a series of practical proposals that have taken into consideration the interests of all countries concerned. In order to remove the obstacles in the way of launching global negotiations, they have time and again made major efforts and proposed that the global negotiations be carried out in two phases. The International Development Strategy adopted by the United Nations General Assembly at its 35th Session in 1980 also gives expression to the common desire of the international community to establish the new international economic order and to revitalize the world economy. The mid-term review and appraisal of the implementation of the Strategy should mainly be aimed at ensuring the full implementation of the series of policy measures set forth in the Strategy. The developing countries have proposed the convening of another international conference on money and finance with the object of promoting development. We hope that all countries concerned will strive to create conditions for the early convocation of this conference. It has been our consistent view that the solution of the immediate problems facing the developing countries should be closely linked with the effort to achieve the long-term objective of establishing the new international economic order. We

support all proposals that proceed from the overall interests of the world economy and help improve the North-South relations and promote development in the third world. We are ready to join the other developing countries in making unremitting efforts to establish the new international economic order.

There are great potentials for increased co-operation among third world countries, with their vast territories and rich resources. While North-South negotiations are at a stalemate, South-South co-operation among developing countries is making further progress. South-South co-operation is not only an effective way for the developing countries to strengthen collective self-reliance in overcoming difficulties and developing their economies, but also an important impetus to North-South dialogue and a boost to their negotiating positions. The Chinese Government is ready to play its part in promoting South-South co-operation in accordance with the principles of "equality and mutual benefit, stress on practical results, diversity in form, and common progress."

Peace and development are two major issues in the world today. They also constitute the primary objectives of China's domestic and foreign policies. The Chinese people are now engaged in a large-scale socialist modernization drive. Their goal can be attained only through long years of efforts in a peaceful international environment. This year marks the 35th anniversary of the founding of the People's Republic of China. We have scored great achievements in these 35 years, particularly in the years since 1979 in which there have been sustained growth and co-ordinated development of China's economy. True, we made detours and paid our price, but we have gained experience as well. It is our basic experience that economic de-

velopment must be based on the actual conditions of one's own country and that there is no ready-made model to copy and one has to blaze one's own trail of advance. A period of 35 years is far too short for us to turn China, with its large population and vast territory, into a modernized, prosperous and strong socialist country. Thirty-five years are not enough, not even another 35 years. China will continue unswervingly to pursue its foreign policy of peace, and will make every possible endeavour for the maintenance of world peace.

Based on the idea of "one country, two systems," the Chinese Government has decided to resume the exercise of sovereignty over Hongkong in 1997 and establish a Hongkong Special Administrative Region. That is to say, in view of the history of Hongkong and its realities, a special administrative region, where the capitalist system will remain unchanged for 50 years, is to be established in a socialist country. This idea, based as it is on China's actual conditions, conforms to a common aspiration and the interests of the one billion Chinese people, including our compatriots in Hongkong. Thanks to their joint efforts, the Chinese and British Governments have reached and initialled an agreement on the question of Hongkong. The settlement of this question will contribute significantly to the lofty cause of the reunification of our great motherland and to stability and peace in Asia.

China's foreign policy remains firm and consistent, as it is based on the fundamental interests of the people of China and of the rest of the world. We support the people of all countries in their struggle to safeguard sovereignty and independence and develop their national economy and in their struggle against the arms race, the threat of war and hegemonism in defense of world peace. China wishes

to live in peace and develop normal relations with all other countries in the world, including the United States and the Soviet Union. China stands for the easing of world tensions and the settlement of all international disputes through peaceful consultations and earnest negotiations. China also hopes to see the two superpowers, the United States and the Soviet Union, end their nuclear arms race and global rivalry and improve their bilateral relations in the interest of world peace and international security.

Only with peace can there be development. Without development, there can be no stability; and without stability, peace is out of the question. Peace and development are inseparable. They are the two major objectives which the world's people have most at heart and to which the United Nations is committed. We must march towards these two major objectives, however numerous the difficulties and obstacles may be. We are convinced that with the concerted efforts of the people all over the world, these objectives can definitely be attained.

It is nearly 40 years since the founding of the United Nations, which, having traversed a path by no means smooth and uneventful, today shoulders an even heavier responsibility for the maintenance of world peace and international security. We appreciate and support the UN Secretary-General's statement in his annual report expressing the desire and demand for making the United Nations work better. As one of the founders of the United Nations and a permanent member of the Security Council, China is determined to make the greatest endeavour possible together with other countries, to uphold the UN Charter and strengthen the role of the United Nations.

(The heading is ours. — Ed.)

Sino-British Agreement—A Landmark

The concept of "one country, two systems" has a strong theoretical basis and is by no means an expediency. The arrangements for the future of Hongkong will help China implement its open policy.

by HUAN XIANG

AFTER two years of negotiations, the Chinese and British Governments have finally initialled a declaration on the solution of the question of Hongkong. According to the joint declaration the British Government will return Hongkong to China on June 30, 1997 and the Chinese Government will resume the exercise of sovereignty over Hongkong on July 1, 1997. Thirteen years from now, a century of foreign rule will give way to a new period of development for Hongkong, in the embrace of the motherland.

The question of sovereignty over Hongkong arose when the British forced the Qing Dynasty court to sign three unequal treaties in the mid-19th century. It was a bitter time for the Chinese people. However, the Chinese people have never stopped thinking of their compatriots in Hongkong, and the people in Hongkong have never stopped loving their motherland. The Hongkong people's patriotic sentiments strengthened the Chinese people's determination to recover Hongkong and reunify the motherland, while the Chinese people's firm resolve has spurred the Hongkong people to make their region more powerful and pros-

The author is a well-known economist and an expert in international affairs.

perous. The Chinese people on the mainland and in Hongkong have always linked their fates and their futures.

Soon after liberation, the Communist Party and the Chinese Government decided in light of the situation at the time to deal with Hongkong as a problem remaining from history, to be settled through peaceful negotiations when the time was right. Since then, the Party and the government have implemented a number of measures to enhance Hongkong's economic prosperity and social stability. This is a wise and far-sighted policy decision. The government and the Party have been consistent in carrying it out, thus creating a favourable condition for China to resume sovereignty over the region.

'One Country, Two Systems'

Throughout its deliberations over the Hongkong question, the Chinese Government has proceeded from a broad perspective in the spirit of seeking truth from facts and reality. It has put forward the original concept of "one country, two systems," formulated the fundamental principles of "resuming the exercise of sovereignty and maintaining stability and prosperity," and on this basis, drawn up a series of concrete policies. In the course of negotiations, the Chinese Government has been rea-

sonable and sincere. It has accepted all reasonable suggestions put forward by the British Government.

The idea of "one country, two systems" came about after a comprehensive theoretical analysis by our Party and government of the course of China's socialist modernization. It is also a major policy decision adopted with due respect to the history and reality of the situation. Never an expediency, it will be carried out firmly and persistently.

Theoretically speaking, socialism is a fairly long period of transition. During this historical period, a developing country such as China must allow the existence of various economic forms. This is a historical reality we cannot ignore.

Today, socialism is China's basic social system. This means the socialist public ownership—ownership by the whole people and the collective ownership—takes the leading role in the national economy. Individual businesses, Chinese-foreign joint ventures and wholly-owned foreign enterprises are allowed to exist as a supplement to the socialist economy. This obviously aids the rapid growth of productive forces and the development of socialism with distinctive Chinese characteristics.

It is precisely because various economic forms coexist on the

mainland, affirmed by the Constitution and protected by state law and administrative organizations, that the idea of "one country, two systems"—which allows Hongkong to keep its capitalist system for a considerably long period (50 years)—cannot be seen as an empty promise.

In realistic terms, Hongkong is an international city. Because of its extensive international economic ties, Hongkong has the qualifications to be a global transportation, trade and financial centre in the Asian-Pacific region. Its favourable geographical position and many other historical conditions cannot be replaced by the other coastal cities in China for the time being. Allowing Hongkong to maintain its current economic and social system for a long period under the formula of "one country, two systems" will help China implement its open policy and will help Hongkong maintain and further develop its economic ties with the rest of the world.

It must be noted that residents in Hongkong and Kowloon have lived for more than a century under the present system. Although they support Hongkong's return to the motherland, they have been accustomed to the existing social system and way of life for a long time. This reality handed down from history must be taken into consideration.

The concept of "one country, two systems" means that Hongkong will be designated a special administrative region. The affairs of Hongkong should be managed by its own people, and Hongkong will enjoy a high degree of autonomy, which will remain unchanged for 50 years. Of course, this autonomy will be achieved only under the unified state sovereignty of the People's Republic of China. The concept of "one country, two systems" should never be misunderstood as

"two sovereign states in one country" or "two mutually exclusive political entities in one country," as some people have claimed. Our aim is to consolidate the unification of the nation, not its permanent separation.

Two Periods

The conclusion of the agreement between China and Britain on the Hongkong question shows that both the Chinese and the British hope to maintain and develop the prosperity and stability of Hongkong. We are deeply convinced that the stability, prosperity and development of Hongkong will further propel the progress of friendly relations between China and Britain.

Here arises the question of two periods. The period from now to June 30, 1997 is the transitional period before Britain returns Hongkong to the People's Republic of China. During this time, the British will still be responsible for the administration of Hongkong and bear the main responsibility for maintaining its stability and prosperity. Of course, the Chinese Government and people will also be closely concerned with the development of the situation in Hongkong, and will give support and co-operation whenever possible, in light of the future.

After China resumes the exercise of sovereignty over Hongkong, taking effect on July 1, 1997, maintaining and developing the stability and prosperity of Hongkong will depend entirely on the ability and wisdom of the Chinese people.

The two periods are closely related. If there is no stability and prosperity for Hongkong in the 13 years of the first period, and if Hongkong is thrown into chaos or returned to China as a "skeleton," then China will have to start

from scratch in the 50 years of the second period. This means that the first 13 years will be crucial to ensuring the prosperity of Hongkong. Both China and Britain, which signed the agreement on the Hongkong question, will be deeply concerned about this problem. But the British will all the more have the unshirkable responsibility.

After negotiations, the Chinese and British Governments have decided to set up a Sino-British Joint Liaison Group, which will have its principal base in Hongkong beginning July 1, 1988. It will continue its work until January 1, 2000. The joint liaison group will consult, exchange information and discuss matters relating to the implementation of the declaration. It is both advisable and necessary to establish a liaison group. It will play its role within the scope of functions stipulated by the Sino-British joint declaration.

The future of Hongkong has been clearly mapped out by the initialling of the Sino-British joint declaration. One of the fundamental guarantees for the sound management of Hongkong's affairs in the transitional period and in the following 50 years will be the efforts of Chinese compatriots in Hongkong, who will gradually take their destiny into their own hands and make contributions to Hongkong and the motherland.

Today, China is working hard for its four modernizations and needs to make full use of Hongkong's advantages. Many countries would like to use Hongkong as a channel through which to develop their trade relations with China. As a hub in the Asian-Pacific region, Hongkong will have a greater opportunity to play its role in developing the Asian-Pacific economy than ever before. Hongkong's future is bright with prosperity. □

Major Economic and Social Achievements (II)

China, during the 35 years since the founding of the People's Republic in 1949, has transformed itself from a poverty-stricken backward country into a socialist nation enjoying the beginnings of affluence and strength.

Last week "Beijing Review" published the first part of a story listing China's 10 major achievements in economic and social development. The first part chronicled the transformation from private to public ownership, the development of a solid economic foundation and the growth of the economy in the absence of crippling inflation.

The report continues this week with more about the economic growth of China and the changes in social conditions for the Chinese people.

by ZHU QINFANG

More Economic Exchanges

Over the past 35 years, China has established trade relations with more than 190 countries and regions, and 92 of those countries have signed government trade agreements or protocols with us. China's foreign trade has developed more rapidly since 1979, when the country decided to open itself to the world. The nation's 1983 volume for import and export valued at 86,000 million yuan (42,200 million for imports and 43,800 million for exports) or 21 times the total in 1950 and 2.4 times that of 1978, of which those between China and Japan, Hongkong, the United States, Federal Republic of Germany, Canada and Australia constitute a large proportion.

As China has become more industrialized, the proportion of raw and semi-finished materials in the export has dropped to give way to manufactured goods. The proportion of manufactured products in

the total export volume increased from 16.6 per cent in 1952 to 56.7 per cent in 1983. In the meantime, China reduced its import of manufactured goods, cutting such imports from 81.3 per cent of the total import volume in 1952 to 72.8 per cent of the total in 1983.

An important way to accelerate China's modernization is to make better use of foreign funds and import advanced technology. Since 1979, China has signed loan agreements worth a total of US\$22,000 million (US\$14,600 million of which was put to use in China by the end of 1983). During this period, China has formed 188 joint ventures with foreign concerns.

Over the past three decades, China has imported equipment and advanced technology worth more than US\$17,000 million. The new equipment and technology has helped develop industry, improve product quality, and reduce consumption of raw and semi-finished materials.

In the past five years, China has also contracted construction proj-

ects in foreign countries. Some 1,317 contracts amounting to US\$2,100 million have been signed with 46 countries and regions. So far, Chinese construction crews have finished projects worth US\$940 million. China has proved to be quite competitive on the international market.

China's economic ties have not all been in industry and trade. China's tourist industry has grown tremendously over the past five years. Last year, 9.48 million people, 5.2 times the figure in 1978, came from 163 countries and regions to sightsee, visit relatives and friends, do business or participate in sports, scientific and cultural exchanges. Of the total, 8.6 million were overseas Chinese or compatriots from Hongkong and Macao. The tourist trade earned 1,860 million yuan, 4.1 times the figure in 1978.

Headway in Science and Technology

Prior to liberation, China was technically backward, and it had only 50,000 technicians and scientists in the early 50s, of which only 500 were doing scientific research. Since then, the country has made headway in advancing its science and technology, though it has faced setbacks along the way. Science and technology have developed most rapidly in recent years, as they have been deemed vital to boosting the national economy.

By the end of last year, there were some 6.85 million technicians and scientists in state-owned enterprises and departments, 16 times

that of 1952. The number of researchers grew from 8,000 to 330,000 during this period, and China now has more than 4,000 independent natural science research centres.

The past five years have seen 17,990 achievements in scientific research, of which 632 have been approved by the state. Major inventions or discoveries include the successful launching of atom bombs, hydrogen bombs, and guided missiles, the launching and recovery of a man-made satellite, the testing of a carrier rocket, and testing of a rocket with three satellites, and the launching of an experimental communications satellite in 1984. Altogether China has successfully launched 15 satellites since 1970.

In basic-science research, success in synthesizing crystalline bovine insulin and yeast alanine t-RNA (transfer ribonucleic acid) enabled China to take the lead in the research on synthesizing biological macromolecule.

Science has helped develop new products, techniques and technology in industry. China can now produce more than 1,000 kinds of steel, more than 20,000 forms of

rolled steel, more than 1,000 oil products and more than 9,000 varieties of new materials. Advanced technology in electronics, nuclear energy, computer automation, optical fibres and fluidics have been applied in industry. In the period from 1979 to 1983, 1,500 products were cited by the state for their fine quality, and more than 7,000 new products were mass-produced. In 1983, China succeeded in producing the "Galaxy" super-computer (which is able to perform 100 million operations per second), in testing a 1,800-channel analogue microwave system and in setting up a practical system for optical fibre cable communications.

In agriculture, about 80 per cent of the crop strains have been improved. The successful breeding of hybrid rice which won a special state award for invention has enabled China to annually produce 4,000 million more kilogrammes of rice, worth 800 million yuan. The wide cultivation of an improved cotton strain, *Lumian Yu 1*, boosted cotton production by 25 per cent. Improved soybeans, peanuts, drought-resistant winter wheat and cotton strain resistant to fusarium

wilt have resulted in an increase in their output. New techniques in cultivating rubber trees have been applied to 200,000 hectares and have yielded good results. In addition, the technique of covering young cash crops with plastic sheets to achieve a greenhouse effect has shot the output up by more than 30 per cent.

All these achievements have demonstrated China's new level of science and technology.

Living Standards Improved

Thriving production has markedly improved China's living standards. The average per-capita consumption rose from 76 yuan in 1952 to 288 yuan in 1983. Making allowances for price hikes, this actually means a 250 per cent gain.

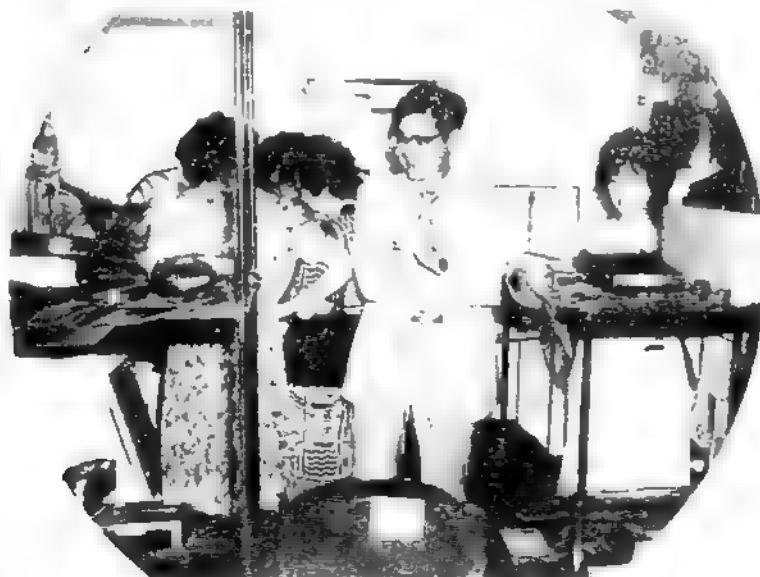
That achievement was hard-won. For many years, efforts to achieve higher living standards were hampered by an obsession with accumulation to the neglect of consumer needs. A series of measures adopted by the Party and the government since 1978 have resulted in more improvement in living standards over the last five years than occurred during the previous 21 years.

From 1979 to 1983, average per-capita consumption increased by 7.2 per cent annually, as compared to the annual increase of 1.8 per cent between 1958 and 1978.

Peasants now have far more money in their pockets than before. A sample survey shows that in 1983 each peasant had a net income of 310 yuan, 2.3 times the average in 1978. Adjusting for rising prices, their income was nearly doubled.

Pay raises and bonus systems have boosted the average per-capita wage of workers and staff in state-run enterprises from 446

Anhui Province displays its exports at a Hongkong exhibition.



yuan in 1952 to 865 yuan in 1983, an increase of 94 per cent. The increase in the last five years alone was 34 per cent. Allowing for price rises, the annual rate of increase in the workers' wages averaged 2.9 per cent in these years, thereby arresting a de facto nose-diving trend of the real wages in the previous 21 years.

Also in the past five years, 39.16 million people in the cities and towns have been given jobs, reducing the average number of family dependents (including himself) of each worker from 3.3 in 1957 to 1.7 in 1983. In addition to pay, labour protection, welfare facilities and other fringe benefits have also improved.

A sample survey of workers' families shows that in 1983 each family member had a spendable income of 526 yuan, 67 per cent more than the 1978 figure, or 43 per cent

more when price rises are taken into consideration.

Higher pay has brought about a change in what people buy. Both urban and rural residents now spend more on clothes and household appliances than on food. High-grade commodities figure prominently in the consumer goods sales

A comparison of 1983 and 1978 makes the change clear. In 1983, the Chinese spent 19.8 per cent of their food budget on meat, poultry, eggs and seafood, up from 16 per cent in 1978. In 1983, they spent 45.4 per cent of their clothing budget on high-quality synthetic and woollen fabrics, silk, woollen yarns and leather shoes, up from 33.2 per cent. In these five years, combined share of bicycles, sewing machines, wristwatches, TV sets, cassette tape-recorders, radios, electrical fans, refrigerators, washing machines and cameras in the retail sales of durable consumer goods increased from 16.6 per cent to 33.3 per cent.

Living conditions have improved as well. Of the 927 million square metres of housing built by the state between 1949 and 1983, 395 million square metres were completed just in the last five years. Housing construction has averaged 79.07 million square metres a year during that period, or 4.3 times the average (18.34 million square metres) during the previous 29 years. These figures do not even include the 97 million square metres of housing built with non-government funds, such as residences constructed by collectives

The housing boom increased per-capita living space in the cities from 4.2 square metres in 1978 to 5.9 square metres in 1983. And in the countryside, 2,800 million square metres of housing was built in the last five years, increasing per-capita living space from 8.2

square metres to 11.6 square metres

With the higher living standards, savings deposits have increased considerably. At the end of 1983, the nation's savings deposits totalled 89,300 million yuan, 104 times the 1952 figure. Today, each city dweller has an average of 237 yuan in the bank, and each peasant has 41 yuan.

The gap between workers and peasants has been narrowed somewhat by the rapid rise of peasant incomes. In 1952, a worker spent 2.39 times as much money as a peasant; the figure grew to 2.9 by 1978, but dwindled to 2.24 in 1983

Thriving Culture

Culture, education and medical services were underdeveloped in old China. Eighty per cent of the population could not read or write, and only one in every five school-age children went to school

After the founding of the People's Republic, the Party and the government devoted major efforts to eliminating illiteracy and developing schools. During the "cultural revolution" (1966-76), however, education was forced to a standstill, resulting in a reduction in the student population. But education rebounded after 1978, when importance was once again attached to intellectual development

By the end of 1983, 1,207 million students were studying in universities and colleges, 10 times as many as in 1949. Another 926,000 adults were studying in TV, correspondence and night colleges. Meanwhile, there were 46.34 million secondary school students, 37 times the figure in 1949, and 135.78 million primary school pupils, a 5.6-fold increase over 1949

All told, China's 1983 student population numbered 202 million

A Shanghai research institute successfully produced new-type optical fibres which can simultaneously transmit 1,900 telephone conversations and TV signals as well.



one of every five people. The result is a higher education level for the entire population. According to census figures, one-quarter of the Chinese had a junior middle school education or above in 1982, way up from the 6.4 per cent mark in 1964

With more income and education, recreational life has become livelier. Last year there were 162,000 movie projectionist teams and 3,444 performing art troupes, 271 and 3.4 times over the 1949 figures respectively. Since liberation, the nation's movie industry has made 1,270 feature films. China has also come a long way in developing its press, publishing and broadcasting. Statistics last year showed that every 100 Chinese families had 21 radios and 3.5 TV sets.

Once the Chinese were mocked as the "sickmen of East Asia," a pejorative term which stemmed from, among other things, China's disappointing showing in athletic contests. That situation changed after liberation. With emphasis put on physical fitness, sports have become popular, and, on that basis, many world-class athletes have come to the fore. From 1956 to 1983, 139 Chinese athletes won 122 world championships in 53 sports events, and 237 athletes broke 108 world records. Making its first Olympics appearance after an interval of 32 years at the 23rd Games at Los Angeles this summer, China's athletes captured 15 gold medals.

Sports aside, growing medical services have also helped improve the health of the 1 billion Chinese people. In 1983, there were 20.7 hospital beds and 13.3 doctors for every 10,000 people, a big jump from the 1.5 beds and 6.7 doctors in 1949. Nationwide campaign urging sanitation and disease prevention have reduced the incidence of acute contagious and endemic diseases. The mortality rate dipped



Peasants living at the foot of Taihang Mountains eat better than before.

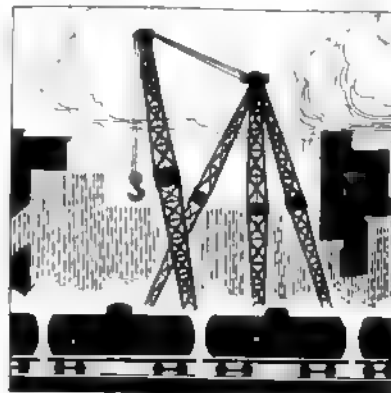
from 20 per thousand in the early 1950s to 7.1 per thousand in 1983. The Chinese population in the early period of the People's Republic was marked by both a high birth rate and a high mortality rate; today, both have plummeted to low levels. Average life expectancy rose from 35 years before liberation to 68 years in 1981

Taken in sum, China's tremendous achievements in economic and cultural fields over the last 35 years would have been inconceivable in the old days. The changes came as a result of the hard work of the people. However, it should be pointed out that China could have progressed even further had it not been for the "Left" mistakes that held sway for so long. Progress was particularly slowed during the decade-long "cultural revolution."

To this day, many economic problems remain unsolved. For example, China's level of management is still low, and the economic structure is yet to be well coordinated. Much remains to be done to achieve a proper balance between the different branches of the national economy. Economic

results are still not satisfactory, and education, science and technology and living standards leave much to be desired

China will take its conditions into consideration and weigh its experiences—both positive and negative. On the basis of past achievements, the Chinese people will redouble their efforts in ongoing reforms. They will carry out the policy of opening to the world in the most sensible way and strive to achieve steady economic development—all with the aim of quadrupling the annual gross output value of industry and agriculture by the turn of the century. □



A Homecoming in the Heart

This is the third article in the series by our staff members describing the changes that have taken place in their hometowns since 1949. This is part of our project to celebrate the 35th anniversary of the People's Republic.

— Ed.

by DAI YANNIAN

MY hometown is a small village in Taixing County in Jiangsu Province. The county rests on the northern bank of the Changjiang (Yangtze) River. About 1.3 million people live on 1,300 square kilometres of land. I seldom get any news from home now that I live 1,000 kilometres away in Beijing. Unlike the big cities which constantly take up space in the newspaper, my hometown is one of the many ordinary, unknown villages in China that rarely gets mentioned.

Since I moved north in 1952, I have been back home several times. But my visits were always too short, and it had been several years since my last one.

The Way Back Home

On my way back I couldn't help recalling my first homecoming in 1956. On that trip almost 30 years ago, I got off the train at Wuxi, the station nearest to my hometown on the southern bank of the Changjiang. By the time I caught the ferry across the river it was already getting dark. I walked all the way home. It was midnight when I arrived at my home in Simadun village. All was quiet. I was eager to knock

at the door, but I hesitated. Since my childhood, the walls of the front courtyard of our two-courtyard house had been broken and dilapidated. But now, under the pale moonlight, the walls were gone and a little house stood where the walls had once been. Was this my home? I wasn't positive. But I looked around and discovered the familiar dark ginkgo tree towering above the road where I used to pick ginkgo



fruit with my young friends. I raised my voice and called out, "Ma!" My doubts disappeared as my mother rushed out of the house, overwhelmed with joy.

This time the trip was different. After getting off the train at Nanjing, I took a bus and quickly crossed the Changjiang River Bridge, which was built in 1968. After four hours of riding, I arrived in Taixing County. There I boarded another bus, which took me straight to the big ginkgo tree. My home stood just before me, a six-room house shielding our old home. My

younger brother is the owner of the new dwelling, which houses his four other family members.

Of the six rooms, three were built in 1964 when few families could afford to build new homes. The other three were built in 1979 when building became more affordable. In the last few years new houses have sprung up and the village is expanding. The old shabby houses are no more.

Xu Shuzhen, our neighbour to the east, married 30 years ago and moved in with her husband's family. Back then, seven family members, including her father- and mother-in-law, and two brothers-in-law, huddled in two tiny rooms. I visited her house in the past and it was dark and so crowded I could hardly move. I remember her blind mother-in-law often went out begging with her daughter. Today Xu has become a mother-in-law herself. There are still seven in the house, with her second and third generations, but now they live in six spacious rooms. Her oldest son is a tractor driver and her second son is a kiln worker. Other family members work in the fields under the contract system.

Yan Jingfang, our neighbour to the west, has a family of three. Last year a new room was added to his old single-room house. He wanted to add two more, but was not allowed because new houses have taken up too much room once used for fields and there are now restrictions. But Yan said, "We will be allowed to build a new house when my child gets married."

The new houses are well-constructed and are better decorated. Some have dragon and phoenix designs on the upturned eaves and some have spacious corridors. Later I discovered better houses in other villages; some are two storeyed, and some even have a methane gas pool from which gas is piped right to the kitchen.

A Village of Fish and Rice

While walking in my neighbourhood, I saw Yan Jinghua, an old man, sunning wheat in front of his house. It made me think back to the scene in 1967 during the "cultural revolution." I recall Yan returning from the production brigade with his allocation of grain.

The grain only filled one-fifth of his bag, and he walked on home with a long face, grumbling all the way. I remember trying to call him, but he didn't notice me. Years later when I thought of my hometown, Yan's grumbling, unhappy face was always before me. Deep in my memory, I suddenly heard Yan calling me. He took a handful of grain from the ground and smiled. "Look, what big grains! At least 1,000 kg of wheat on this ground," he said, "We have more grain since the household responsibility system."

The land around Taixing County is not especially fertile

Another bumper harvest.



When I was a young boy only a small portion of the land on the Changjiang River bank was suitable for paddy rice. Some 80 per cent of the land was too hilly and sandy. Due to a lack of fresh water, peasants grew barley and wheat, never rice.

But beginning in the late 1950s, the county leadership organized thousands upon thousands of peasants to build irrigation projects during the slack farming season. Work was entirely done by manual labour. Six canals, numerous big and small ditches and culverts were dug criss-crossing the whole county. As a result, fresh water could reach every part of the county and paddy rice was planted everywhere.

The narrow ditch where I used to splash as a boy is now a wide and straight irrigation channel. It runs through the village, spanned by several wooden bridges. Pumping stations are roaring, bringing water to the fields on both banks. Several food-processing stations are grinding wheat flour or husking rice for the local villagers. The days when peasants carried water on shoulder-poles and water was pumped with wind-wheels, and the days when animals and men were used to mill flour are now just memories and material for a history book.

Most irrigation projects were completed in the 1970s. Natural conditions were improved but egalitarianism in distribution continued to shackle initiative, so grain output was not high. The production responsibility system didn't reach the area until 1983, when the grain output in Taixing reached 548 million kg, 22 per cent higher than in 1980, or more than three times that of 1949.

With new flexible policies, people may now engage in whatever production they think can make wealth

Last year, the county raised 1.785 million pigs, more than one

per person, or 2.7 times that of 1949. My cousin began to produce gluten out of wheat flour which he sells at a good price. The residue of wheat is used as pig fodder, and he uses it to raise 12 pigs at very low cost. Last year he earned 1,000 yuan from this business.

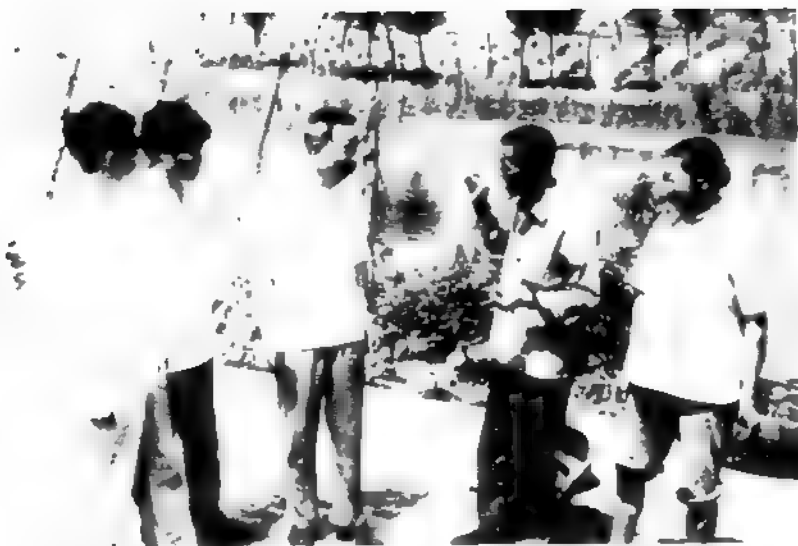
Chicken production is also up — four per capita. The county now has 5 million chickens, nearly tripling the 1978 figure. Many families raise more than 100 chickens and some have over 1,000.

Fish ponds have become fully utilized. Luan Dengning and his wife contracted a 0.54-hectare fish pond with the production brigade. Due to poor management, the annual income from the pond was formerly under 300 yuan. But Luan used the pond fully — growing clams and water chestnuts in addition to fish in the pond and planting rice, puncture vine, taro, gourd, and wheat on the banks and slopes around the pond. Between 1981-83 he earned a net income of 6,600 yuan, and paid 3,600 yuan to the production brigade.

Liu Tianwen, a young man, began to raise artificial pearls in 1980. Earlier he had to share three huts with his brothers. No girl was willing to marry him. But with the money he earned from growing the pearls, he built three brick houses. Soon a girl expressed her willingness to be his wife.

The ginkoes are also a ready source of money. Ginkgo fruit is good for kidney ailments and is said to help retard aging. Whereas there used to be only the one big ginkgo in the whole village, now every family in the county grows the tree. A high-yielding tree can grow 200 kg of fruit, worth 600 yuan.

When I went home in 1972, my hometown had just shifted to



Luon Dengning (second from right) chats with the chairman of the county people's congress (centre).

growing paddy rice. Everyone was talking about it. Some described the cooked rice as soft as sheep wool. Others said the rice was so delicious they could have several bowls without missing other dishes. Some urged me to take the rice to Beijing. The strong pride for rice then was understandable. In the past, villagers only had watery barley porridge all year round. Many were half starved, and some had never seen a grain of rice.

Today the local people take rice for granted, and it is no longer a hot topic. Instead, they talk about which dishes go well with wine. With the implementation of the production responsibility system, families help one another during the busy season. Helpers are not paid, but they enjoy good meals—at least four dishes, always including pork and egg. Sometimes the host prepares fish, shrimp and chicken, in addition to spirits, beer and wine. Of course, on ordinary days people have simple meals.

Like food, people now have a taste for all kinds of better products these days. In many homes, there is a mixture of traditional and modern furniture—maybe a

large square table carved with legendary figures, carved beds and a dressing table, standing alongside a modern glass cabinet and desk. Radio sets and bikes are common. Many want to buy television sets, but electricity is inadequate, only sufficient for industry. Some families use batteries to charge their TV sets, so they have the privilege to watch TV programmes.

Rural Industry

Huangqiao town lies to the east of my village. Back in 1940, the Kuomintang armies in northern Jiangsu Province were passive in resisting the Japanese, but active in fighting the Communists. Marshal Chen Yi and General Su Yu commanded the Communist New Fourth Army and waged a decisive battle in Huangqiao, and wiped out 11,000 enemies. This battle laid the foundation for the establishment of the anti-Japanese base area in northern Jiangsu. To support the New Fourth Army soldiers, the local peasants sent baked cakes and other foods to the front, braving the bullets. When I think of this, a song popular in those days rings in my ears:

*"Huangqiao cakes are brown.
Brown cakes for the front.
Cakes are baked with warm
fire.
Armed men need the help of the
people."*

Huangqiao is at the juncture of water and land communication. In the early 1940s, it was already a busy commercial centre of 10,000 people.

But I was disappointed in 1967 during the "cultural revolution" when I visited the place. It had become a scene of desolation—the shops were empty and commodities were scarce.

On my trip home this time Huangqiao is once again lively and full of people. Shops line the streets of the city of 20,000. Moreover, there are village fairs every day, with peasants coming from neighbouring villages to sell their surplus products. The fairs attract many customers from the cities. In addition to the markets, Huangqiao has become an industrial centre. Growing pigs has always been a tradition, but the peasants used to butcher their own pigs because there was not a single slaughterhouse before liberation. Now the work is done in a food processing factory with an annual capacity of 1.5 million pigs. A pharmacy is attached to the slaughterhouse, where several kinds of drugs are made from pig blood and other by-products. The Huangqiao Cotton Cloth Mill turns out a low-price nice-looking polyvinyl fibre cloth that is well liked by the local peasants. The material sold out quickly when exhibited in Beijing.

The 1983 industrial output of Taixing County was 670 million yuan, 35 times that of 1949, or 66 per cent of its total industrial and agricultural output value. The county is almost self-sufficient in chemical fertilizer. The horizontal automatic teleprinters Taixing produced are sold to 28 provinces, municipalities and

autonomous regions. Taixing's small transformers enjoy brisk sales in Hongkong and all over Southeast Asia. A radio component from Taixing was out-fitted on a carrier rocket sent to the Pacific in 1980. And Taixing-produced plasma spraying equipment used in aeronautics industry for hardening metals received the attention of an international welding association. The inventor was invited to read his thesis at an international symposium.

What interested me most about Taixing's industry is that out of the 1,000 factories, the majority are run collectively by the peasants. The 97-member Taixing Cosmetics Factory was opened in 1979 by a family selling facial cream. The family-based factory has grown to have 400 sales agents all over the country.

The Taixing Bike Pedal Factory produces 5 million pairs of stylish and well-made pedals annually. The pedals are sold in the Federal Republic of Germany, the United States and Switzerland.

People in my home village began to run industries this year. In a peasant house, I saw a dozen young girls hammering iron frames. A welding torch was sparkling as they worked on a low-voltage switchboard. Yan Xinfu, a young contractor of the small workshop, told me: "Our village is still poor. I must do my best to turn this into a smart factory!" He planned to use part of this year's profit to build a factory building near the old ginkgo tree. Then he'll buy machines.

It is clear that running rural industries is a shortcut to developing a collective economy. Bayu village runs a silk factory and a glass bottle factory for pharmaceuticals by recycling broken glass. With the net profit of



Students of Simadun village doing their homework.

240,000 yuan earned last year, the village was able to fund several public projects: the muddy streets were paved with pebbles six metres wide so cars could pass; tap water was provided for every family; a new building for the village primary school was built; and an old-age home was funded for 10 widows and widowers. Nansheng village runs an electrical appliances factory. Now the peasants there are free to use electric pumps, machines for plowing and electric food processing equipment. They have free medical treatment and free tuition for school children, with all the expenses covered by the village's factory.

Dramatic Changes

Today primary education is universal and there are primary schools in every village in Taixing. About 65 per cent of the pupils enter middle school and every town has its own middle school. Taixing Middle School, the best in the county, emphasizes all-round development of the

students, nurturing them morally, intellectually and physically. Last summer 92 per cent of its graduates passed the college entrance examination, a percentage much higher than the national average.

Hetou village, one kilometre to the east of my village, is the township government seat. When I was a boy, I travelled the route daily to attend the primary school because there was no school in Simadun village. Then in 1956, a junior middle school was set up in Hetou, and in 1968 a senior middle school was built there.

A hospital lies to the north of the middle school. Staffed by 29 doctors and nurses, the 30-bed hospital has internal medicine, surgery, traditional medicine, gynaecology and paediatrics departments, supported with X-ray and other equipment for tests. In addition to the hospital, there are clinics in every village, with a total of 77 qualified "barefoot" (part-time) doctors.

I was at home one morning around 10 a.m. when I heard ex-



The Peasants' Cultural Palace at Jianghua township is a popular attraction.

citement in the village. A middle-aged bachelor had fainted. He had suffered from pulmonary emphysema for some time. Early that morning he had gone to work in the field, but he was not feeling well, so he managed to come home. When his neighbour discovered him he was purplish all over and was almost not breathing. The "barefoot" doctor immediately gave him artificial respiration, and, thanks to the quick action, the man was revived. He was sent to the county hospital and had nearly recovered completely by the time I returned to Beijing.

The incident brought back memories from pre-liberation days. In the same village, my lovely 3-year-old sister was attacked by pneumonia. There was no doctor around and we helplessly watched her die of suffocation. Another of my sisters and an aunt were disabled by polio.

Li Guisheng, the 33-year-old "barefoot" doctor, told me much of his work is preventative medicine. Beginning in 1964 every child in the village was given a polio vaccination. Polio has since disappeared. Cases of measles, meningitis, encephalitis and malaria

are now rare. And when illness occurs, the patients receive timely treatment.

Every town in the county now has a cultural centre. Last year Jianghua village built a peasants' cultural palace with the profits from its rural industries. The main building is a cinema with 1,146 comfortable seats. Behind the cinema is a basketball court. And in the front is a courtyard with an opera room for 250 spectators on the left and game rooms on the right. Games include *kangle* billiards, table-tennis and chess. In the library, in addition to Chinese literature and many books on science and technique, I also found works by Balzac, Dickens, Dante and Heine.

Theatrical performances are also popular here. Every town has its own theatre group, with most members working in the factories, and the performances are given free of charge.

I attended one such performance. The programme was locally written and depicted daily life.

The dialogue and songs in my native tongue really touched me.

One number was *Going Back to My Mother's Home*, in which a young couple is headed to visit the wife's mother. The husband is worried because the father-in-law had objected to their marriage, saying he was not clever and not a good farmhand. Actually, the young man had been shackled by incorrect policies and not allowed to develop his talents. But now he becomes a wealthy chicken raiser, a man admired by everyone in the village. Still he is apprehensive about facing his father-in-law. When they finally reach the wife's home the husband sees the father-in-law holding something like a club while waiting at the door. The young man turns and tries to run away. But his wife grabs his arm and stops him. It turns out the father-in-law is simply greeting them with a bottle of beer, ready to toast their marriage. The short performance keeps the audience laughing.

The last performance was *huagu* singing, which was familiar to me. Beggars in old days used to sing such songs outside the door of a home. Afterwards the beggar would pull out a bowl asking for some food. Their performances made my heart ache. Today *huagu* singing is different. Accompanied by rhythmic music, four couples in bright costumes sing and dance with a drum in one hand and a coloured bamboo stick fastened with copper coins in the other hand. No longer a sad song, it is a scene of jubilation.

When my homecoming had come to an end, my relatives saw me off at the big ginkgo. Their figures became smaller as my bus pulled away, but the tree was still in sight. I recalled the young workers who told me they will soon build a factory near it, and I hummed the song:

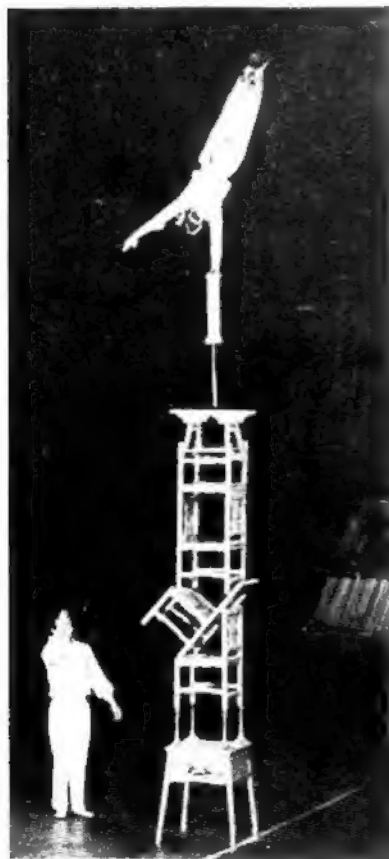
*In the place where ginkgo grows.
Is my hometown,
Wherever I go,
You are in my heart.*

Young Acrobats Add to Ancient Art

On a small square table, four chairs were piled one on top of another. Two were straight up, one upside down and one on a tilt. They were balanced on four steel balls placed on four beer bottles. On top of the chairs a bench sat precariously, with a 70cm walking stick balanced straight up in the middle. Three wood blocks more than 10 cm high each sat on top of the stick. And on top of it all, a young woman balanced on one hand, striking various horizontal and vertical poses, and sometimes stretching out her free arm.

Suddenly she pushed away the wood blocks and landed on the

Kong Hongwen balances precariously.

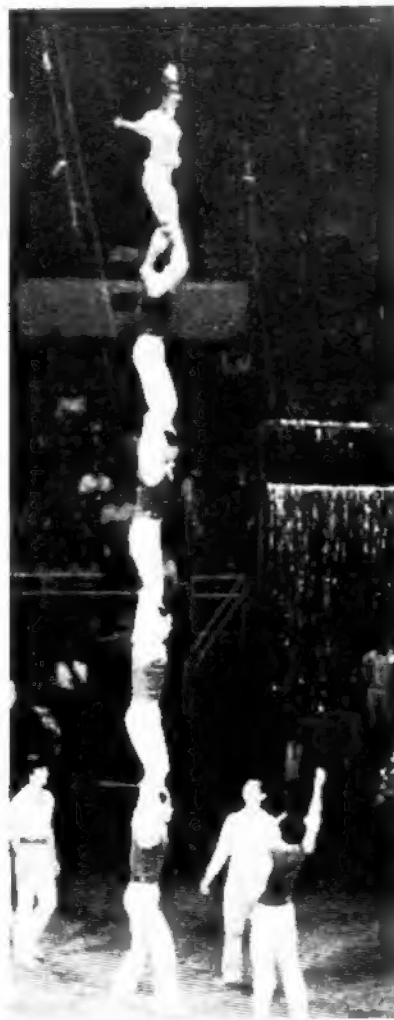


stick, light and stable, still with one hand supporting her body. She then leapt upwards and changed hands while turning her body 180 degrees.

It's almost impossible to imagine how difficult it is to change hands on one vertical falling point, time after time. One must combine strength, balance, grace and sheer nerve.

The performer, who finally came down to thunderous applause, is

A human tower.



16-year-old Kong Hongwen from the Zhengzhou Acrobatics Troupe of Henan Province. Her daring act was enough to win her the gold medal at the First National Acrobatic Contest held in mid-August.

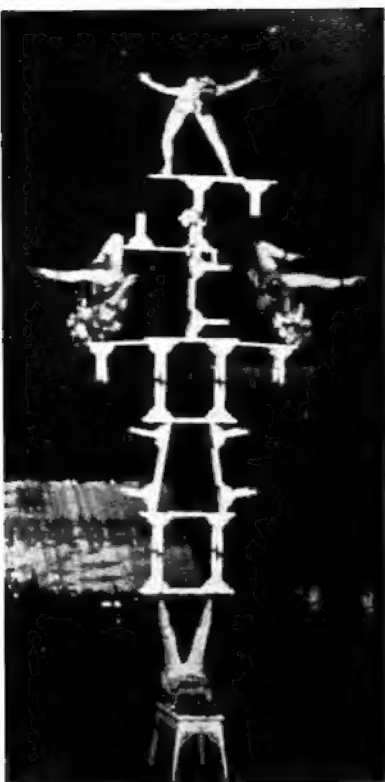
The 58 acrobatic acts performed at the contest showed just how far Chinese acrobats have come artistically and technically since the art began almost 3,000 years ago. Almost every traditional act has made new developments. Many acts have also become more graceful and attractive, with accompanying music and dance integrated in an artistic way.

The silver and bronze medal winners were as daring and amazing as Kong's balancing act.

In one, two brothers and a sister came onstage riding on two bicycles. They flipped from cycle to cycle in various combinations, with movements which were so difficult and graceful that many in

A handstand on the high wire.





Juggling benches.

the audience dared not blink. Another cycling performance by a military acrobatics troupe from Shenyang had more than 20 women riding on one bicycle to form a grand picture of a peacock spreading its fine tail feathers.

On the spring board, a Shanghai acrobat leapt in the air, spinning his body 360 degrees, and landed on a tower formed by four acrobats standing on each other's shoulders. This act is so difficult it is seldom seen on stage.

Two acrobats showed their skill in wire walking. A young woman from Hangzhou walked freely on the soft steel wire, brandishing a sword and dressed in ancient costume. A man from Zhengzhou was so skilful on the wire that he walked on his hands instead of his feet.

A woman from Jinan in Shandong Province juggled a pyramid of 10 benches with her feet. Perched on the benches were three other women bending backward to pick up bunches of flowers between



Balancing cups and bowls.

their teeth and striking beautiful poses. The juggler turned them all 360 degrees on just one foot.

A woman from Sichuan balanced 12 wine glasses in three stacks on her forehead, four glass bowls on one foot and two or three tiers of glass bowls in one hand. She then bent backward until she was lying on a table, with four more bowls on her other foot, four tiers of glass bowls in her other hand and two in her mouth, and rolled over to the left and to the right. The performance was hair-raising.

It is impossible to mention all the 403 performers, but it is worth noting that most are teenagers, and the youngest is only nine. Their skill, power and grace assure the future of China's ancient acrobatics.

British Films in Retrospect

Forty British films, produced from the 1920s through the 1980s, last month gave Beijing movie fans a wide view of the life and history of Great Britain.

Many of the films in the British retrospective were Oscar winners, such as *Gandhi*, *Chariots of Fire* and *Barry Lyndon*. Most had not been shown in China before.

The movies dealt with a wide

range of subjects, from conspiracy in the royal court in *The Lion in Winter*, to the conflicts between love and social conventions in *The French Lieutenant's Woman*. *A Bridge Too Far* and *Bridge Over the River Kwai* showed the British experience in World War II and biographical films depicted *Lawrence of Arabia*, *Scott of the Antarctic* and *Gandhi*. Ordinary people, soldiers, musicians, athletes, journalists and others in Beijing all found their counterparts on the screen.

Sponsored by the China Film Archives in Beijing and with films provided by the British National Film Archives, the retrospective was an item of cultural exchange between China and Britain. The films were also shown in Shanghai and Changchun, marking the first time foreign films have been shown in a group in various places.

Movie goers and members of China's film industry were very excited by the British films. Their tight structure, realistic and humorous dialogue, fine traditions of directing and talented, well-trained actors have much to teach Chinese artists, who lost 10 years of development in the turmoil of the "cultural revolution."

Remin Ribao (People's Daily) carried a special article about Britain's long film history, which has been marked by ups and downs. After the 1960s, suffering from a lack of money and new ideas, the industry fell into a decline. But in 1982, *Chariots of Fire*, the story of two athletes' painstaking training for Olympics, won an Oscar and injected new confidence into the film industry. When the grandiose and detailed *Gandhi* was produced that year, the revival of Britain's excellent tradition was reaffirmed.

The article concluded that the best movies succeed because they have a strong sense of national identity, giving them a unique place in the film world.

Relief designed for the Revolutionary
Monument of Guinea.



Martyr Li Dazhao, a Founding Member
of the Chinese Communist Party.

Born in Shanghai in 1933, Ye Ruzhang now
works as an engineer at the Beijing Architectural Art
Sculpture Factory.

Ye tries to depict the deeper character of the
people he sculpts. His figures are realistic yet
introspective.

= ART PAGE =



Sculpture by Ye Ruzhang



Sparetime Study.

葉牌



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